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ABSTRACT

This paper addresses the feasibility of family support programs as a means by which management may constructively respond to the changes in the workforce in order to fulfill its own objectives. The analysis takes into account both theory and practice, applying learned concepts to the design and execution of an actual feasibility study at a small, suburban Massachusetts bank. Part 1 sheds light on parent needs, examining the changes in families, in work, and in community support services resulting in the need for employer assistance in child care. Also described are the variety of responses that companies can make given the interface among these changes. Part 2 examines the rationale for a corporate response to these changes, while part 3 presents the findings of the bank case study and an analysis of the process used to arrive at the most appropriate and cost effective solution to identified management problems. Part 4 offers the author's conclusions and a prognosis for the future feasibility of employer supports to working parents in meeting management objectives. A list of on-site employer supported day care centers from 1960-present is appended, along with information concerning the turnover at the bank and the community it served. Also appended is a copy of the survey administered to the bank employees and a discussion of the author's proposed child care benefit plan. (MP)

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MANAGEMENT BY PARENT OBJECTIVES:

A CASE STUDY ESTABLISHING THE FEASIBILITY OF EMPLOYER-SPONSORED CHILD CARE AND OTHER FAMILY SUPPORTS

DANA E. FRIEDMAN

An Analytic Paper
Presented to the Faculty of the
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Doctor of Education

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TABLE OF CONTENTS

	PAGE
INTRODUCTION	1
PART I: PARENT NEEDS IN A CHANGING COMMUNITY	11
A. Changes	
1. Family Changes	11
2. Public Sector Initiatives for Parents	16
History. Current Federal programming. Parent usage.	
3. Private Sector Initiatives for Parents	21
Early failures. Renewed interest.	
B. The Potential for Employer Responses to the Needs of Working Parents	27
1. Employer Responses to the Need for Information	28
2. Employer Responses to the Need for Financial Assistance	30
3. Employer Responses to the Need for Services	32
4. Employer Responses to the Need for Time	35
PART II: THE RATIONALE FOR CORPORATE INVOLVEMENT	39
A. Corporate Social Responsibility	40
B. Corporate Self-Interest	45
1. Child Care as a Recruitment and Retention Tool	47
2. Child Care as a Productivity Tool	49
C. Family-Work Interface and Its Effect on Meeting Management Objectives and Self-Interest	52

1. Intrinsic Aspects of Worker Motivation 57

2. Extrinsic Aspects of Worker Motivation 59

3. The Changing Role of Fringe Benefits in Employee Compensation 61

PART III: ASSESSING THE FEASIBILITY OF FAMILY BENEFITS AS A MEANS TO MEET MANAGEMENT OBJECTIVES: A CASE STUDY 67

A. Framework for Analysis 67

1. Methodology 70

B. The Bank of Suburbia 71

1. Bank History and Corporate Culture 73

C. The Rationale for Involvement in Family Supportive Benefits/Services 76

1. Corporate Social Responsibility 76

2. Corporate Self-Interest: Reducing Employee Turnover 79

Levels of turnover. Costs. Causes. Nature of teller work.

D. The Family-Work Interface: Needs and Expectations of Parents 88

1. Can Mothers be Recruited?: The Potential Applicant Pool 88

2. Can Mothers be Retained?: The Realities of the Teller Job 97

3. An Assessment of Existing Services: Suburbia's Child Care 103

4. An Assessment of Employees' Child Care-Related Needs 107

The survey instrument. Survey results.

E. Selecting Child Care Benefits and Policies 110

1. A Child Care Plan 110

2. The Effect of a Child Care Plan on the Total Employee Benefit Package 112

3. Bottom-Line Return on a Child Care Plan 119

4. Summary: Applying the Framework for Analysis 121

EPILOGUE 123

CONCLUSIONS 125

NOTES 138

APPENDIX

A: On-Site Day Care Centers, 1960-Present 141

B: Measurement of Turnover 146

C: Quarterly Reports of Turnover at Bank 147

D: Itemization of Turnover Costs for Bank 151

E: Demographic Profile of Suburbia 154

F: Government Subsidy Available to Eligible Suburbia Parents 155

G: The Employee Survey 160

1. Distribution 160

2. The Survey Instrument 162

3. Survey Design 175

4. Recommended Changes 177

5. Alternative Data Collection Mechanisms 179

H: The Proposed Child Care Benefit Plan 181

BIBLIOGRAPHY 190

VITA 209

FIGURES AND TABLES

		PAGE
FIGURE 1.	Venn Diagram of Family-Work-Community	6
2.	Increased Social Expectations	65
TABLE 1.	On-Site Day Care Center Response to Issues Affecting Productivity	50
2.	Employer Responses to Work-Family Conflict	54
3.	Framework for Analysis	68
4.	Number of Births in Suburbia: 1970 - 1979	89
5.	Labor Force Participation of Suburbia Working Mothers	90
6.	Numbers of Mothers Contacting CCRC Who are Financially Eligible for Federal Subsidy	94
7.	Child Care Requests to CCRC from Suburbia Mothers During January - June 1981	95
8.	The Cost of Child Care in Suburbia	106
9.	Benefit Preferences of Bank Employees	113
10.	Cost Effectiveness of a Child Care Benefit	119
11.	Application of Criteria for Whether to Proceed with a Family Support Program	121

ABSTRACT

MANAGEMENT BY PARENT OBJECTIVES: A CASE STUDY ESTABLISHING THE FEASIBILITY OF EMPLOYER-SPONSORED CHILD CARE AND OTHER FAMILY SUPPORTS

The feasibility of employer-sponsored child care and other family supports focuses on ways in which management may constructively respond to the changes in the workforce in order to fulfill its own objectives. The analysis takes into account both theory and practice and then applies learned concepts to the design and execution of an actual feasibility study at a small, suburban Massachusetts bank.

The analysis involves three interrelated areas: parent needs, management agendas and community resources. These areas are discussed as the sources of pressure for employer sponsorship of such programs and as components of the feasibility study itself.

The feasibility study highlights the need for examining the reciprocal impact of societal forces on management agendas, parent needs and community resources. It is employer-sponsorship that is being sought, so the inquiry begins by identifying corporate self-interest. Management will be the ultimate decision-makers and their needs and expectations must be satisfied. However, corporate self-interest can be satisfied only if parent needs are met and so the feasibility study next examines the needs and expectations of the employee population. Having determined that attention to parent objectives is capable of solving management objectives, the specific change in benefits, personnel policies and/or work conditions in considered in light of existing community resources.

This process for establishing the feasibility of working parent initiatives was instructive when applied to the case study. The Bank commissioned the investigation of child care feasibility in an effort to reduce turnover among tellers.

Exploration into the causes of turnover revealed few child care-related problems. However, it was surmised that by changing the composition of the teller workforce to mothers, presumed to be more stable and well suited to teller work, turnover could be reduced. The feasibility of child care was based on its ability to recruit the kind of teller more likely to stay, thus, indirectly, reducing turnover.

The selection of a working parent initiative is based on four identified parent needs (the need for services, information, financial assistance and/or time) and a range of responses currently offered by companies and community-based agencies across the country.

The final selection of a benefit and determination of its feasibility is unique to each employer and locality because they are based on a unique blend of management agendas, parent needs and community resources. However, the study presents a framework for analysis to be used by other employers considering the adoption of family supportive work policies and benefits.

INTRODUCTION

Both family life and the workplace have changed radically over the last two decades. These changes are due largely to the rapid increase of women in the labor force, particularly among mothers of young children. As a result, a significant portion of the workforce consists of parents whose spouses also work. In some cases, there may be no spouse at all. These parents are responsible for creating a balance between home and work that allows for the healthy growth and development of the children for whom they are responsible.

However, the same economic forces that create the need for both parents to work, now affect the provision of community supports for them. Many of the programs currently serving working parents have become victims of a budget cutting Congress. Individual families, as well as these family support agencies, must now turn to alternative sources in the community in order to assure their survival. One such source is within the corporate community.

The involvement of the corporate sector in providing family support services is not new. Support has been garnered for years through the efforts of United Way and corporate giving programs. Provision of direct services for corporate employees began as early as the Civil War and World Wars when war-related industries sponsored day care centers

at the plant site to enable mothers to help in the war effort. In the late 1960's, motivated by newly legislated tax advantages and perhaps by the desire to turn the center into a profit-making operation, about 15 companies, 100 hospitals and 6 unions established on-site day care centers. Most of the early company closed, however, due to company bankruptcy and/or underutilization.

The failure of these on-site day care centers due to underutilization underscores the importance of seeking corporate responses which are sensitive to the real needs of working parents. It is possible that parents preferred other forms of child care or care that was closer to home. They may have been satisfied with current arrangements. It is also possible that if the community supply of child care was adequate, their real child care problems were related to finding it, selecting it or affording it. (See Appendix A for details of center closings.)

Corporate efforts today go beyond the notion of the on-site day care center and acknowledge the variety of needs that a working parent may have and the various solutions to them. In addition to the establishment of day care centers, companies may be providing after school care, family day care, information and referral services, child care subsidies, parent education, or changing work hours to accomodate the

need for more flexible time.

These corporations, pioneering in their efforts to address the family concerns of employees, realized their inability to function on the basis of practices and policies which developed in accord with the needs and concerns of a predominantly male workforce. When the division of male/female roles was more clearly delineated in society, the division between family and workplace was also more distinct. As increasing numbers of women become breadwinners and more men become single parents, the divisions between family and work becomes more cloudy. As the makeup of the workforce changes, and more importantly, as the needs and concerns of workers change due to the altered nature of their own roles, both within the family and within the world of work, the corporate community must seek out new responses to reflect the changes in the lives of their employees.

As long as corporations employ human labor, they must contend with the fact that manpower, unlike machine power, is subject to external influences as well as internal or subjective, emotional and psychological shifts. A human worker, unlike a well-oiled machine, does not function in the same manner at all times under any conditions. And as the times and the human condition change, corporations must keep pace with that change or there will be an ever increasing gap between employer and employee needs and expectations. The oil

which kept the workforce running smoothly in the industrial era may not keep the squeaks out of the human machinery in the post-industrial age. Management may find itself pushing the old buttons but no longer producing the old, desired responses.

If the corporate community ignores the family concerns of its workforce, it will be ignoring the predominant concerns of an increasingly large portion of its labor pool. To the extent that management loses touch with the needs, concerns and expectations of its workforce, to that extent it loses its ability to attract, retain and stimulate the productivity of its workforce. Thus, led by the desire to attract and retain a productive workforce, an employer may ultimately choose to provide a corporate solution to the family needs of working parents. Indeed, a demand for labor is the common denominator characterizing those industries currently pursuing new management initiatives for working parents.

This paper addresses the feasibility of family support programs as a means by which management may constructively respond to the changes in the workforce in order to fulfill its own objectives. The feasibility of any employee program to meet management objectives is dependent upon the extent to which that program meets the real needs of the employees for whom

it is intended. This paper is concerned primarily with the process of identifying and measuring the variables that will determine whether and how family supportive changes in personnel policies, benefits and/or work conditions can solve the various problems at which they are aimed. It involves the exploration of the newest elements of corporate involvement in child care -- its various forms and their relationship to productivity and recruitment efforts.

A child care feasibility study conducted at a small, suburban bank in Massachusetts provides the empirical basis for this review. Three issue areas -- parent needs, management agendas, and community resources -- form the components of the child care feasibility study and its subsequent analysis. Aspects of the national picture regarding industry trends, family change and child care policy were used to frame the inquiry for The Bank of Suburbia.* The larger view was warranted in order that my analysis be generalizable to other employers. Because management agendas, parent needs and community resources will differ in various localities,

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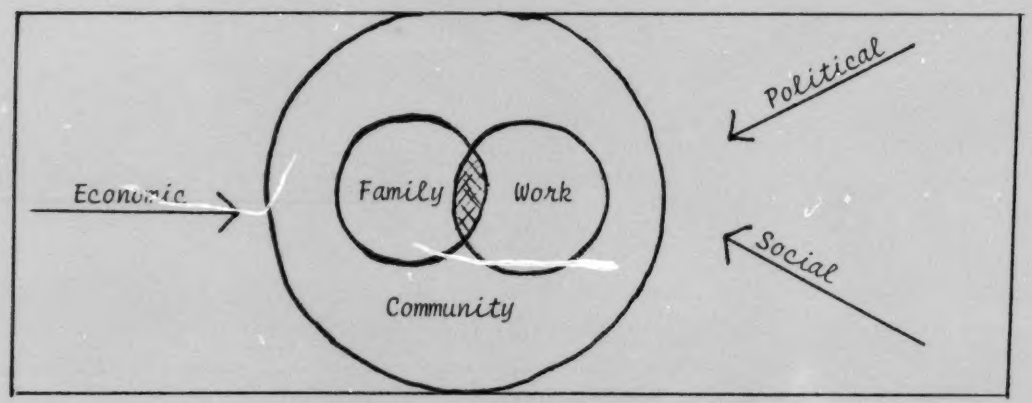
* To protect the identity of the actual bank for which the feasibility study was conducted, the paper refers throughout to a fictitious name ("The Bank") and location ("Suburbia," Massachusetts).

the specific recommendation made to The Bank is not as important as the considerations made in arriving at it. In addition, the national scene influences the locally identified situation. Therefore, each component of the feasibility study has been addressed in context.

The exploration of family-work interface and the forces that impinge upon it may be visually presented in the form of a Venn Diagram in Figure 1.

Figure 1. The Venn Diagram of Family-Work-Community



This graphically depicts the external and internal forces affecting already overlapping worlds. A change in family life can affect work; work transitions can affect family functioning; and changes in community -- social, economic or political -- will create both internal and external pressures for family and worklife to change.

The changing needs of parents and of management within a community context, provide the theoretical backdrop for subsequent analysis of The Bank feasibility study. Part I sheds light on parent needs and the changes in society resulting in their needs for employer assistance in child care. These include changes in the family, in work and in community support services. Also presented are the variety of responses that companies can make given the interface among these changes. Based on parent needs, Part I identifies why an employer "should" address employees' family concerns.

Part II then examines the rationale for a corporate response to these changes. Is it corporate social responsibility or self-interest motivating employer responses? And if self-interest, what are the specific management problems to which child care is being posed as a solution? To what extent is attention to family concerns capable of resulting in self-interest gains?

Part III presents the findings of The Bank case study and an analysis of the process used to arrive at the most appropriate and cost effective solution to identified management problems.

Part IV offers my conclusions and a prognosis for the future feasibility of employer supports to working parents in meeting management objectives.

The primary focus of this paper is on the potential for employer-sponsored family supports to solve management problems, for it is my contention that the establishment of that link holds the most promise of furthering corporate involvement. With this focus, I openly acknowledge my bias. First, I believe that the corporate sector, as one part of the community, should help provide supports to working parents. During this economically difficult period, many community-based services will need a variety of financial supports. However, I do not believe that all companies can or should contribute. While advocating for corporate involvement, I am well aware of the possible limitations of participation by certain employers and/or industries.

Secondly, I believe that whenever possible, efforts should be made to establish corporate-community partnerships in the provision of supports for working parents. Unless the firm is convinced that it needs very visible corporate sponsorship, such as an on-site center would provide, I believe that a child care solution should involve building on the already existing child care community. This would be more cost effective for the employer, while helping to stabilize the funding base for these programs to survive in the future.

Thirdly, while a variety of parent needs are recognized and solutions developed to address them, the focus on needs and solutions relates primarily to low-wage earning

parents. While the loss of top managers is more costly to the company, these parents tend to have more monetary resources for use in solving their problems. As will be shown, however, the nature of family-work conflict faced by upper managers and assembly line workers may be very similar. It is understood that corporate decision-makers may first recognize the problems and seek solutions for their higher wage earning employees.

Finally, I believe that the issue of employer supports to families is not a women's issue: it is a parents' issue. Although the Kramerization of fathers has begun and some are serving as single fathers, it is still the mother who is primarily responsible for the care of children. Furthermore, most companies are providing child care as a recruitment tool for women. In accepting this reality, I have focused largely on women's work and their child care preferences. Most of the literature on the subject is similarly focused. However, implicit in the development of solutions to needs and preferences is the ability for fathers to take advantage of the opportunities provided by their employers.

Throughout this analysis, I found myself unable to support most of what is considered "prevailing sentiment" or "academic wisdom" on the subject. It is largely because I believe we are in a time of such rapid change that conventional wisdom, common practice and what "the experts say" is

no longer applicable. And because I am in a sense charting a course not taken by many to date, I find myself in the exciting position of creating my own maps, with guidance from a few progressive thinkers -- Betty Friedan, Rosabeth Moss Kanter, Alvin Toffler and, of course, my thesis committee.

The characters along the changing landscape are no less the "changer" than the "changee." No longer can corporations remain an isolated economic unit. Likewise, social service agencies must adopt some bottom line strategies for survival. For me, the richness of an academic analysis of these changes is that it must be interdisciplinary in order to be relevant. The feasibility of employer supports to working parents is essentially an interdisciplinary approach to understanding new roles for family, work and community.

PART I: PARENT NEEDS IN A CHANGING COMMUNITY

A. Changes
   1. Family Changes
   2. Public Sector Initiatives for Parents
   3. Private Sector Initiatives for Parents

B. The Potential for Employer Responses to Working Parents
   1. Employer Responses to the Need for Information
   2. Employer Responses to the Need for Financial Assistance
   3. Employer Responses to the Need for Services
   4. Employer Responses to the Need for Time

PARENT NEEDS

A. Changes

1. Family Changes

Since colonial times, and up until the recent past, women in America have worked primarily in the home. Women were important contributors to the domestic economy while we survived in a primarily agrarian society. Once production moved to the factories and cities, most married women continued to work at home, but with sole responsibility for housework and child rearing, devoid of any direct economic functions. (Bane 1976, p. 43)

By 1940, 14.7 percent of married women were in paid employment. (ibid.) By 1973, the female labor force participation rate was 50 percent (42 million women). The most dramatic increase (40 percent) has occurred since 1967. (Smith 1979, p. 3)

While data indicate that marriage and child rearing inhibit labor force participation, the major increase in women workers has been among wives and mothers. The employment boom in the Chicago Stockyards during World War I was largely attributable to married women, nearly all of whom had children of preschool age. (Tentler 1979, p. 50) Of the 15 million women who joined the labor force since World War II, nearly all were married. (Smith 1979, p. 4) And today, more than one-third of mothers with

children under 3 years of age is working. (ibid., p. 1) By 1990, it is projected that 52 million women will be working, accounting for an increase of 15 percent (11 million women) since 1978. (ibid., p. 13)

Of the 17.1 million children under age 6, 6.4 million had mothers in the labor force in 1977 (37.6 percent). (ibid., p. 133) By 1990, it is estimated that 44.8 percent of all preschoolers will have working mothers, a projected increase of 4.1 million children.

As women pursue new careers, they find themselves still responsible for child rearing and household management. Recent time-use studies show that employed fathers contribute very little to household and child care responsibilities. (Pleck 1979, p. 482)

The number of mothers working who head their own households has been increasing due to marital disruption ending in divorce. Bane reports that only 44 percent of women headed their households in 1940, while by 1970, almost 80 percent of divorced, separated and widowed mothers headed their own families. (Bane 1976, p. 13) According to death and divorce rate projections, this trend is likely to continue where "nearly 40 percent of children born around 1970 will experience a parental death, divorce or separation and consequently live in a one-parent family at some point during

their first 18 years. (ibid., p. 14) Coping strategies for these families will likely depend on the earning level of the parent and the availability of informal support systems.

While the number of men gaining custody of their children rises, (Levine 1976, p. 47) it is the mother with whom children most often remain. The ability of these women to provide adequately for their children is difficult given their occupational segregation, their minimal attachment to the work force and their lower wage earning capacity and potential. (Bane 1976) Sixty percent of all working women are in ten occupations. Eighty percent are in unskilled, semi-skilled or clerical positions (19 percent of them with college degrees). (Howe 1974, p. 207) The wage differential between men and women is wider today than it was 20 years ago: women today earn approximately 59 cents of every dollar earned by men doing comparable work, when in 1950 women earned 63 cents on every dollar. Frequently, women work part-time and they tend to enter and leave the work force more often than do men. This reduces opportunities for advancement and job security; it also makes them ineligible for employee benefits and other forms of compensation offered to full-time employees, further reducing, in a relative sense, their standard of living.

Where husbands are present, the state of the economy presents few choices to mothers who might otherwise prefer to

stay at home rearing their children. The number of dual career families is rapidly increasing. Masnick and Bane report that in 1977, two-worker husband-wife households had incomes about 13 percent higher than one-worker husband-wife households. (Masnick and Bane 1980, p. 88) Working wives brought in, on the average, about one quarter of the family income to the dual career family. (ibid., p. 89) Among working wife couples with children, 52 percent moved out of poverty as a result of the wife's earnings. (ibid., p. 94) The need for a second wage earner in a two-parent family has become an economic necessity. The question then becomes, who cares for these children when parents cannot?

Given their choices, it is likely that parents will prefer to keep their child close to home and in the care of someone familiar to them and their child. (Unco survey 1975) They may first look to other family members.

There has been much debate about whether the extended family is declining or not. (Bane 1976; Keniston 1977) Bane contends that most elderly people live in households and have not been shipped off to nursing homes away from the family. However, given American family mobility patterns, the absence of forced retirement and the same economic need that pushes mothers into the work force, grandparents may be unavailable to care for their grandchildren.

In the National Consumer survey, hereafter referred to as the Unco survey, there was 63 percent agreement with the statement, "My first choice for someone to care for my children is a relative." (Unco survey 1975, pp. 3-17) There are racial distinctions in this choice where white families are five times more likely than black families and 13 times more likely than Spanish families to have their children cared for by relatives. Here is an example of where utilization figures may not serve as good indicators of preference, for while minority groups do not rely on relative care, they may prefer to do so, but are limited by relatives' availability.

Employment status is a strong indicator for whether parents use relatives to care for their children. The Unco survey reports that working parents tend to use family day care and center-based care. The implication is that relatives are relied upon for shorter than eight-hour periods, where the parent may have part-time work or personal obligations. Of greatest significance to this discussion is that, in practice, care by relatives does not appear to be the widespread solution for full-time working parents.

In lieu of parents or other adult relatives, the child may still be cared for by family if an older sibling is able and willing. As family size decreases these options

become more limited. In addition, there is growing concern about what are called "latchkey" children who come home from school with housekeys around their necks to let themselves into an empty house after school. The recent tragedies in Atlanta are signalling the real dangers of this practice for young children. It is possible that empty classroom space in public schools will eventually be used for programs which parents may prefer to having their children come home to an empty house with responsibility for a younger sibling.

If child care cannot be provided for by family members, working parents will explore solutions in the community.

2. Public Sector Initiatives for Parents

History. The history of government involvement in child care includes a patchwork of programs motivated primarily by larger social and economic concerns. At the turn of the century, day nurseries were provided to save children in "maladjusted" families. During the Depression, the Federal Emergency Relief Administration provided funds for day care to soften economic hardships and to create jobs for the unemployed. During World War II, thousands of centers were established through funds provided by the Lanham Act to encourage female employment within war-related industries. In 1965, Head Start was created to break "the cycle of poverty."

During the 1970's, however, there were five unsuccess-

ful attempts to pass comprehensive child care legislation. Each effort failed because of political confrontations or moral ambiguities. For instance, at the same time Nixon was promoting his Family Assistance Plan, he vetoed the overwhelmingly passed Comprehensive Child Development Act of 1971, likening child care to the Soviet style of child rearing. The 1974 and 1975 Child and Family Services Acts became the target of attacks by right wing conservatives echoing Nixon's fears about child care leading to the potential destruction of the family. A simultaneous effort, waged by Albert Shanker of the American Federation of Teachers, to have public schools take control of day care caused enough in-fighting among the child care constituents that Congress disbanded all hopes for the bill's passage. The most recent effort for comprehensive legislation was introduced by Senator Alan Cranston. His Child Care Act of 1979, a more modest version of earlier bills, was never raised on the floor for a vote, and died with less than a whimper.

Current Federal Programming. Despite the absence of categorical legislation for child care, by 1979 the Federal outlays for direct and indirect child care services was approximately $2.5 billion. The greatest portion of this investment is attributed to indirect tax credits which, in 1978, were claimed on 3,443,850 returns with a price tag of $656,781,000.

(Malone 1980)

More than 90 percent of direct Federal support for child care funnels through Title XX of the Social Security Act, Head Start, the Child Care Food Program, Title I of the Elementary, Secondary Education Act (ESEA), Aid to Families with Dependent Children (AFDC) and the Work Incentive Program (WIN). Title XX provides the largest source of revenues for direct services and consumes the greatest proportion of service dollars among the variety of services allowable under Title XX. (Congressional Budget Office 1978, p. 43)

President Reagan has already proposed cuts in the Child Care Food Program (which is the primary mechanism through which family day care receives subsidies and organizes itself into systems). Cuts are also proposed in Title I, ESEA. With a general move towards block grants and increased state responsibility, Title XX, already a form of block grant, might be increased. However, child care will be in greater competition with other social programs whose categorical authorizations may also catch the eye of budget surgeon David Stockman, Director of the Office of Management and Budget.

While previous Federal supports focus largely on increasing the supply side of the child care market--i.e., creating new programs--the next few years will likely turn

to the demand side--i.e., enabling more people to purchase care. This will occur through increased deductions in the child care tax credit. The newly passed tax legislation offers the tax credit as a sliding reduction based on income, a change from the previous tax credit.

Parent Usage. The National Day Care Study (1977) estimates the existence of 18,300 day care centers in which 900,000 children are enrolled. Less than 9 percent of these children are under age three. While the estimate for day care center usage is 10-15 percent among preschoolers with working mothers, (Abt Associates 1978) this is about double the number since 1965 when fewer than six percent were in day care centers. (Low and Spindler 1968) When broken down by age, we find nearly half of all 3-5 year olds in center-based care. (Smith 1978, p. 134) Add to this the growing numbers of children in nursery school and kindergarten which have increased over 50 percent in the last decade. (Kamerman and Kahn 1979, p. 2) In 1976, almost half of all 3-5 year olds were enrolled in these programs -- 26 percent of 3 year olds, 48 percent of 4 year olds, and 82 percent of 5 year old children of working mothers. (Current Population Reports 1978)

None of the research highlights the gaps in services for before and after school children or infants, although reports from various information and referral agencies around

the country indicate that the demand is steadily increasing for these children and the supply remains insufficient.

Parents typically prefer more informal care arrangements for their younger children, such as family day care, where a neighborhood woman takes care of up to six children in her own home. Center-based care for infants and toddlers is extremely costly and questions remain about its potential harm to the infant if provided in less than high quality services. The quality of care in many family day care homes is also questioned. Turnover is high and approximately 90 percent of these homes are unlicensed. (Westinghouse 1971; National Day Care Home Study 1980) However, familiarity with one caregiver, a home-like environment, and close proximity to the child's own home are characteristics of family day care that working parents seem to prefer.

Some researchers project an increased demand for center-based care. (Kamerman and Kahn 1979, p. 5; Smith 1979, p. 135) They base their expectations on usage trends as explained above, and on demographic factors. If family size remains small (two-three children per family), fees for out-of-home care will be more affordable than when parents sought care for four or five children. The tax credit may help more parents afford the cost of center-based care. Yet parents already contribute 70 percent of day care center revenues.

The National Day Care Study reports that government funds accounted for another 29 percent with cash contributions adding a bit more to center revenues. (Abt Associates 1978, p. 58) It is highly doubtful that during the 1980's parents will be able to afford an increase in the cost of child care or that child care will thrive in a budget-cutting Congress.

There is a possibility that the effect of recent Reagan cutbacks will be to increase the supply of family day care homes. Revisions in the Aid to Families with Dependent Children (AFDC) program may make it more cost effective for a parent to care for his or her own children at home while also minding neighbors' children. In this way, the parent maintains food stamp and Medicaid allowances that would otherwise be lost four months after outside employment. For employed parents, ineligible for public subsidies, we find them less able to rely on themselves for daily child care responsibilities and tending to look to the community to meet their child care needs. Finding these choices inadequate, inaccessible or unaffordable, what is it that the corporate community can contribute to helping parents balance the responsibilities of home and work?

3. Private Sector Initiatives for Parents

The corporate community has had a sporadic history of

attending to the child care needs of its employees. At the turn of the century, thousands of immigrant families flocked to American shores in the hopes of reaping the richness of the promised land. They were greeted by a host of charitable agencies whose major concern was to assimilate the newcomers into American culture to preserve the social order and protect the children of the native population from the ignorance of these unkempt strangers. Thus, the children were the primary "beneficiaries" of their "concern."

Subsequent employer involvement in child care was not prompted by child-related concerns. By 1910, the Association of Day Nurseries recorded the existence of 450 centers in working-class neighborhoods. Some of these nurseries were sponsored by the factories that employed the mothers of the children being served. The day nurseries were known for their poor quality and unsanitary conditions. ". . . The rare industrial day nursery, funded by a mill or factory with a substantial number of female employees, (was not) necessarily more sanitary, better equipped and staffed than its neighborhood counterpart." (Tentler 1979, p. 161) Reports indicate that the conditions of the centers were not appreciably better than the oppressive conditions of the factories.

Rather than a genuine concern for children, these factories were motivated by a need for cheap labor which they

were capable of obtaining with provision of child care.

One of the first industry-based child care centers was the King Edward Nursery founded by John H. Swisher and Son, Inc., in Jacksonville, Florida in 1939. (Morgan 1967, p. 22) The 75 children cared for could stay 24 hours a day as boarding students or go home each day. Monthly operating expenses were $18,000, of which the company paid 5/6 and the balance was paid by parents. According to the company,

> The benefits to the individual employee and to the management have been most satisfying in terms of mutual relationship, and also there have been unforeseen and immediate gains in higher efficiency, lower costs and greater productivity. [Morgan 1967, p. 13]

During the Civil War and World War I, some employers opened temporary child care centers to meet worker shortages. (Feinstein 1979, p. 129) World War II gave rise to another round of employer-sponsored centers, only this time there was support to industry from the Federal government. In 1940, Congress passed the Lanham Act and a year later, passed amendments that encouraged the creation of community-based child care programs in defense plant areas to help the war effort. The most famous of these centers were the two family-centered child care programs at the Kaiser Shipyards in Oregon and California. Open all day (24 hours), all year, the centers staffed 292 professionals during their 22-month existence. (Morgan 1967, p. 68) They developed very innovative

practices and received high regard from child development experts. Treated as an experiment to discover whether day care was financially feasible for industries, the final report concluded,

> ...that while most expenses incurred in the operation of the two centers were justified by conditions here, it is not correct to assume that another situation will produce identical conditions leading to an equal financial deficit. [Morgan 1967, p. 69]

After the war, many women returned home, the work force replenished by returning servicemen, and industry's interest in day care lay dormant until the 1960's. In 1967, legislation created the opportunity for rapid tax amortization of constructed buildings used to serve employees' children. The increased demand caused by increasing labor force participation of women prompted widespread interest in day care as a potentially profitable investment.

Early Failures. A number of companies (Curlee Clothing, KLH, Avco Printing, C & P Telephone, Westinghouse to name a few) did not make the profits they had hoped for. In fact, there were significant losses and the centers closed. For some of these companies, particularly the textile firms of the South, the centers closed as the companies went bankrupt. (The reasons for the closings in Appendix A.) At most, there were 18 on-site day care centers (not including those at hospitals) during the late 1960's and early 1970's.

An estimated 25-30 corporate work-site day care centers are in existence today. (Listing presented in Appendix A.) Another five centers are sponsored by the Health and Welfare Fund of the Amalgamated Clothing and Textile Worker's Union. Universities account for approximately 1100 child care programs, most of which also serve as lab schools for early childhood training and may not be open to employees, but only to students and faculty. The largest industry group providing on-site day care services to its employees is hospitals. Facing a nationwide nursing shortage, nearly 200 hospitals are providing child care as a recruitment and retention device. (See Appendix A.)

Employer-sponsored child care has been referred to as a "miniature curiosity" because of its failure to establish itself as part of the child care market. Another observer remarked, "It is doubtful that industrial day care will ever become a significant factor in American day care landscape." (Feinstein 1979, p. 189-90)

Renewed Interest. Within the past two years, a flurry of interest in corporate sponsorship has been generated not only among employees in need of child care assistance and among child care providers eyeing new sources of revenue, but among managers as well. Corporate managers are concerned about productivity and efficient use of "human capital."

They are concerned about meeting affirmative action guidelines; about reducing waste in benefit packages originally designed to meet the needs of a male breadwinner; and about high levels of stress among their employees, from their assembly line workers all the way up to their executives.

What characterizes recent interest in exploring corporate sponsorship is the variety of alternatives to work-site child care. Not only are companies learning from the mistakes of earlier years, but they are recognizing the inappropriateness of center-based care given the adequacy of community-based programs, the preferences of parents and the special needs of children. Corporate managers are learning that parents might not need additional child care services as much as they might need assistance finding, selecting, or paying for existing services. Or, their overwhelming problem may be simply their organization of time in making arrangements.

My hypothesis is that self-interest appears to be the major force prompting employer supports to working parents. However, it seems clear that the ability for family benefits to meet self-interest will depend on the specific needs of the employee population. Because employee needs are shaped by family patterns and community resources, so are employer responses. Before examining the intended effects of the employer's response to working parents in Part II, I will

first examine the range of employer responses based on employee needs.

These three features of the analysis -- management agendas, parent needs and community resources -- form the framework for my subsequent analysis of the case study at The Bank.

B. The Potential for Employer Responses to the Needs of Working Parents

Examples of employer responses to the needs of working parents from around the country, indicate four basic categories of parent need. Both the parent needs and employer responses are based on the strengths and weaknesses of existing community resources. These model programs have been as much fashioned by parent needs and management agendas as by the needs of the community.

- The need for information about (1) services in the community that provide child care; or (2) general parenting issues to reduce stress in the family.
- The need for financial assistance in purchasing community services.
- The need for services where the community supply is lacking.
- The need for time to help balance the dual responsibilities of family and work.

1. Employer Responses to the Need for Information

Dwindling resources usually lead to pressures for a more efficient use of existing resources. An obvious mechanism for reducing overlap and maximizing limited resources is a central clearinghouse with information about supply and demand of child care services. According to Dr. Edward Zigler, a former director of the Office of Child Development, "A major problem with day care is the lack of centralized information to help parents locate existing day care services." (Project Connection 1980, p. 22)

The problems in locating child care have been recognized by other researchers (National Academy of Sciences 1976; Keniston 1977) and by policy analysts as well as parents responding to the Unco survey. Support services these parents said they would most like to see provided by the government were "a referral system where parents could get information about screened and qualified people and agencies to provide child care." (Unco Survey 1975)

While information and referral (I & R) services may be provided through Title XX without regard to income, few states have opted to do so for child care. A three-year study of child care I & R services, Project Connections, funded by the Administration for Children, Youth and Families (ACYF) and the Ford Foundation, estimate that there are 6,390 organizations in the United States providing some

child care I & R services. Only 4.1 percent of these agencies receive financial assistance from industry. (Project Connections 1980)

Employer support of I & R services has the potential of providing employees with greater access to a better planned and coordinated child care system that includes more choices at higher levels of quality. Such improvements to child care services in the community would have obvious benefits to other consumers of child care.

Employers could fund community-based I & R agencies. As a one-year pilot project, Gillette Company has implemented a telephone hotline for their employees to the local Child Care Resource Center. A firm might also internalize the function by hiring an individual to provide child care information. This could be housed in personnel, as occurs at Steelcase, Inc. in Grand Rapids, MI, or in an Employee Assistance Program (EAP). Designed primarily for counseling of chemically dependent employees, EAPs cover an estimated 6.2 million workers in the private sector. (Brasch 1950, p. 6) Honeywell, Inc. felt their EAP was the most appropriate place for child care I & R services. Counselors are also able to address other child and family-related problems affecting employees.

Another mechanism for dealing with child care information needs is for companies to arrange for parent education

seminars at the workplace. The Texas Institute for Families currently conducts Noon Time Seminars in more than 20 companies throughout the state. These hour-long, brown bag seminars are offered at the workplace and cover a range of parent-child topics. The Center for Parenting Studies at Wheelock College also conducts noon time seminars at some downtown Boston banks, as do a growing number of mental health and family therapy organizations. Most unique in its sponsorship and format is the Executive Family Seminar offered to M.B.A. students and their spouses at Harvard Business School. Taught by psychiatrist Barrie Greiff, it prepares the manager of tomorrow for the complexities of combining family and career for self and subordinate.

2. Employer Responses to the Need for Financial Assistance

Parents are sometimes unable to afford the child care arrangement of their choosing once they have located it. As a result, children may be placed in care that is inappropriate for their needs or inconvenient for the parent. A high level of guilt is typically reported by women who leave their children under someone else's care during the day. (Unco Survey 1976; Family Circle 1977) Dissatisfaction with child care arrangements may cause even greater strain for the parent. The subsidization of child care, enabling the purchase of

quality care, may reduce parental stress.

The cost of child care depends upon a number of factors: the type of child care used, fees charged by the provider, number of hours care is used, numbers and ages of children and income of the parent and neighborhood. The Unco survey explains that child care costs and standards are more influenced by micro-community standards than the market for goods; i.e. child care in a low-income neighborhood will cost less than that provided in a more affluent community. The survey concludes that people pay what they can afford so that generally, the higher the income the higher the price paid for child care. (Morgan 1981) Based on Department of Labor projections, Dr. Richard Ruopp, President of Bank Street College of Education, contends that day care costs range between 9 - 11 percent of the total family budget and remains the fourth largest budget item for the family, less only than food, housing and taxes. (Morgan 1980, p. 21)

Problems associated with the cost of child care can be eased by the employer offering to pay for a portion of the cost through a voucher system. Polaroid is one of a handful of companies currently offering such assistance. In operation since 1972, Polaroid pays a percentage of the cost of care on a sliding scale for employees with incomes of less than $25,000. The percentage of reimbursement remains the same

regardless of the cost of care selected. Approximately 150 employees per year take advantage of this opportunity. The Ford Foundation in New York has a similar program, while Measurex Corporation of Cupertino, CA offers a $100/month stipend to employees as an incentive to return more quickly from maternity leave.

A voucher system may help parents defray a portion of the cost of care and may also encourage the expansion and improvement of child care services in the community as providers compete for the new market of paying clients. This might also be solved by the corporate purchase of child care slots in a few local programs in the community.

The provision of information or financial subsidy is appropriate only when the supply of existing child care is sufficient to meet the demand. If not, the parent may need services and the employer may consider direct provision of needed services.

3. Employer Responses to the Need for Services

For many, initial thoughts about employer-sponsored child care turn to a work-site day care center. However, the success of these programs is mixed, in part, due to the fact that parents may need or prefer services of another type. They may prefer family day care or need before and

after school care or sick child care services.

If parents commute to the work site, they may not want to travel on public transportation during rush hour with their preschoolers. The Unco survey found that parents prefer their child care in their home neighborhoods and prefer more informal care arrangements such as family day care, especially for children under three years of age.

If a center is to be built, it may be on-site and run by the company, a non-profit organization or a profit-making chain of centers. When a firm does not have enough employees who prefer an on-site center, the company might organize a group of firms in the area to pool the children of their employed parents. In Washington, D.C., five television and radio stations each made $7,000 loans to establish a center for their employees. It is housed in a nearby church convenient to all employees.

Another set of needs and responses exists regarding the school-age child. Working parents have particular difficulties when school is not in session, such as during holidays and summers. In response, Fel Pro industries in Skokie, IL provides a summer day camp for employees' children. The difficulty might occur on a moment's notice when "snow days" are called. The 1981 financial plight of the Boston city schools almost ended in an "extra" month of summer. This

would have posed considerable strains for working parents, for there are few solutions available for emergency care.

Child care problems related to school-age children occur because school may begin after parents start work and end before they finish. Public schools often do not provide the kind of structured activities needed by children ages 5 - 12. Before and after school programs may be needed either in cooperation with the schools or based elsewhere in the community.

It is difficult enough to arrange child care on a regular basis, but when emergencies arise, such as the child becoming ill, working parents have few options but to stay home and miss work.

Day care centers are required to have quiet, semi-isolated rest areas for children. However, if the child's illness is contagious, it is best that he or she not remain nearby other children.

An approach being tried in Minneapolis and Berkeley is for the company to contract with a local agency that sends health care workers into the child's home. This is far more convenient for the parents, more comfortable for the child and more protective of other children than group care solutions. However, as day care directors will attest, if the child is sick enough not to come to the center, the parent usually

wants to remain with the child.

An effective solution to sick child care problems may be the change of personnel policies that would permit an employee to extend the use of sick leave for the illness of immediate family or allow employees a specified number of "personal days" for attending to family matters. A study by Catalyst (1981) indicates that 29% of companies provide days off for children's illness. (p. 7)

It should be noted that as options are explored, one continually tests them against the components of the framework: management agendas, parent needs and community resources.

4. Employer Responses to the Need for Time

If all needs for information, money and services are being met, the parents' overriding concern may be the need for more time with their families or for more conveniently arranged time. Analysis of the 1977 Quality of Employment Survey by Joseph Pleck indicates that "about 35 percent of workers with spouses and/or children report that their job and family life 'interfere' with each other, either somewhat or a lot. Interference occurs significantly more frequently among parents than among non-parents." (Pleck 1979, p. 35)

An employer decision to offer employees more discretion over their working hours may relieve some of the

"interferences." Alternatives to standard work hours may occur through flextime, part-time work, job sharing or work at home, now called flexiplace.

Flextime allows employees to choose the time they arrive at work and the time they leave, as long as they accumulate the prescribed number of hours per day or week. There is usually a core time during which all employees must be present and flexible periods of time when employees exercise choice. Although more widespread in Europe, U.S. reports indicate that in 1977, 12.8 percent of all non-government organizations with 50 or more employees were using flextime, covering approximately 5.8 percent of all employees, or 2.5 - 3.5 million workers. (Nollen and Martin 1978, p. 7)

In a Social Security Administration experiment with flextime, 75 percent of female employees reported that new schedules allowed them more time with their families even though there was no reduction in hours. (Corey 1980) In a study of flextime at the U.S. Department of Commerce, Halcy Bohen surveyed 700 people, half of whom were on flextime and the other half of whom were on standard hours. People on flextime generally reported less conflict between home and work obligations than those on standard schedules. The ones who benefitted most, however, were employees without children. "It would be naive to think flextime could create extra time

for families and home life," Bohen says, "when it only allows employees to rearrange their hours." (ibid.)

A study of Families at Work: Strengths and Strains by Lou Harris for General Mills, indicated that 51% of professional women preferred working part-time. Part-time work more clearly offers additional hours for family involvement. Between 1965 and 1977, the number of part-time workers increased nearly three times as rapidly as the number of full-time workers. Most of the increase was among women. By 1977, women held nearly 70 percent of the part-time jobs. (Smith 1979, p. 81) This is seen as a consequence of the number of working mothers with young children.

One problem with part-time work is the need to pro-rate employee benefits. The costs of administering and providing pro-rated benefits are usually higher than for full-time employees. According to a survey of 180 companies, 80 percent offered part-time workers paid vacation leave. Just over half offer sick leave, and life and health insurance benefits. The Employee Retirement Income Security Act (ERISA) requires that employees working 1,000 hours or more per year (about half time) be treated alike and included in a pension plan if the firm has one. (Nollen and Martin 1978, p. 111)

An option yet to be tested on a widespread basis, but promising in terms of its flexibility for working parents is

work at home. It appears that high technology may be moving us back to a form of cottage industries. Continental Bank of Chicago is conducting an experiment with residential word processors by installing them in employees' homes and transmitting information over sophisticated communications equipment.

The options relating to the need for more time call for more radical changes in the definitions of work and traditional management practices.

This framework and the discussion of the changes in society around which it has been fashioned suggest the possibilities for corporate involvement in meeting family needs. The feasibility of a company adopting one of these benefits or work policies will depend on their rationale for doing so. A range of perspectives on the motivation for corporate involvement are now discussed in Part II.

PART II: THE RATIONALE FOR CORPORATE INVOLVEMENT

A. Corporate Social Responsibility

B. Corporate Self-Interest

1. Child Care as a Recruitment and Retention Tool
2. Child Care as a Productivity Tool

C. Family-Work Interface and Its Effect on Meeting Management Objectives and Self-Interest

1. Intrinsic Aspects of Worker Motivation
2. Extrinsic Aspects of Worker Motivation
3. The Changing Role of Fringe Benefits in Employee Compensation

WHEN MEETING EMPLOYEES' NEEDS MEETS MANAGEMENT'S NEEDS: THE RATIONALE FOR CORPORATE INVOLVEMENT IN FAMILY SUPPORTS

The rationale for corporate involvement in family support programs is a question of feasibility. It is first a question of corporate need: whether the corporation identifies that need as its duty to be socially responsible or as a specific management problem, i.e., a problem of self-interest. Child care support is simply a vehicle which a corporation may identify to meet a particular need. Once the corporation identifies that as a potential vehicle to meet an identified need, it must assess the feasibility of that mode to actually meet the corporate need. Assessment of corporate need is a necessary condition for corporate involvement, but it is not alone sufficient.

The second criterion for involvement is the feasibility of the particular child care option to meet the corporate need -- whether or not the option is effective: i.e., does what it is designed to do. Can it recruit workers, can it retain workers, can it increase worker productivity? However, whether or not it can do the job for management will depend upon whether or not the program is fulfilling a real need of the employee. (In the world of employee compensation, the classical mistake is to supply a fringe benefit of an employee dining room serving only steak and potatoes to a staff which

is strictly vegetarian.) If it is useless to the employee, ultimately it is useless to the employer.

The feasibility of family supports is a matter of accurately identifying an interface of employer need and employee need and creating a mode of fulfillment which is compatible with both needs. Corporate suitability assumes employee suitability, i.e. that the program fulfills employee's need.

For the companies considering the feasibility of child care, the initial distinction to be made is whether the "need" or primary motivation behind the effort is corporate social responsibility or self-interest. In the case of corporate social responsibility, feasibility is simply a question of whether child care can be provided; in the case of self-interest, feasibility is an issue of whether child care, can provide a return to the company.

A. Corporate Social Responsibility

According to Milton Friedman in 1972, "There is nothing that would, in fact, destroy the private enterprise system more than a real acceptance of the social responsibility doctrine." He added that if an employer spends income for social purposes, "he is in effect stealing this money from the shareholders." (Business and Society Review 1978, p. 4)

Responses made by large corporation executives in 1978 to Friedman's statement were varied. Henry Ford II commented that the corporation was "not well equipped to serve social needs unrelated to its business operations," while Phillip Drotnig of Amoco asserted the predominant goal of earning profits, but acknowledged that the corporation must also "help preserve an environment in which profit is possible." Other executives noted that the traditional function of business, i.e., generating income and tax revenues, already makes an enormous social contribution. What is often overlooked is that when private enterprise provides for society's welfare, corporate self-interest can be served. Charitable giving helps create a more desirable and attractive place to live and it becomes easier to recruit and retain a contented work force. A thriving community also has more dollars available for buying goods and services.

In 1978, corporate contributions increased by 22 percent, reaching a total of $2.07 billion and measuring one percent of pretax net income. Health and welfare programs which accounted for 37 percent ($255.9 million) of contributions were designed for employees as well as community members. The New York Times reported $2.6 billion in corporate giving, accounting for less than 6% of all philanthropy.[1] (See Notes)

A survey of public affairs departments or corporate

external relations found that six of every ten corporations engaging in public affairs in 1980 had no such corporate activity in 1970. (Public Affairs Research Group 1981) Shareholders were listed as the top target, and employees and the public were tied for second place.

Yet while there has been growth in corporate giving in a relative sense, it has not reached the allowable 5 percent of profits limit which, with the passage of recent tax legislation, has been increased to 10 percent. Why has this been so?

In The Conference Board's report on the Present State of Corporate Responsibility, they found that "industrial corporations are the largest employers . . . and the slowest to react to social changes." Their slow reaction is probably due to two factors: 1) the managers are traditionally conservative in outlook and preoccupied with profits; and 2) the national and international "spread of these firms makes it difficult to have senior management effectively communicating with company personnel." (1978)

There are some indications that these patterns are changing and for a variety of reasons. First of all, managers are changing. Peskin, in The Doomsday Job, asserts that, "The long range curse for business is the inability to meet tomorrow's management challenge: change. The immediate

results are turnover and lost profits," concepts that "have more impact than change because they represent a more immediate threat." Peskin beleives that today's managers are those "involved, altruistic . . . and protesting people" of the 1960's whose tactics may become less theatrical but whose humanistic philosophy is not likely to wane.

Toffler believes that all of industry is undergoing an identity crisis. Managers faced with public criticism and hostile political pressures are beginning to question the goal of profit-maximization for the organization. Toffler concludes that corporations can no longer remain exclusively economic units. (Toffler 1981, p. 229) The criticism is no longer related only to underpaying workers, overcharging customers, forming cartels to fix prices. The public holds the corporation increasingly responsible for everything from air pollution to executive stress, from using poor populations as guinea pigs in drug testing to racism and sexism. "A corporation is no longer responsible simply for making a profit or producing goods but for simultaneously contributing to the solution of extremely complex, ecological, moral, political, racial, sexual and social problems." (ibid., p. 234)

As the pressures grow, so do the costs of not responding. Therefore, social responsibility efforts and self-interest can be served simultaneously. In fact, some assert

that self-interest is what motivates corporate social responsibility. (Business and Society Review 1978, p. 17) According to Harry Levinson, who espouses a psychoanalytic approach to organizational diagnosis, companies will be responsive to child care issues when there is "pain," i.e., when there is a problem that causes management concern. Michael Beer, citing the views of Beckhard and Greiner, said that "if there is one thing of which researchers are very certain, it is that organizations do change when they are under pressure and rarely when they are not." (1980, p. 48) The need for pressure in setting the stage for change is that it creates a stage of readiness or what Kurt Lewin calls the "unfreezing stage," where old beliefs and values "lose their strength in the face of data that disconfirm the manager's view of his or the organization's effectiveness." (ibid.)

Attention to family concerns at the workplace would involve a significant change from traditional management practice. While the company may be acting out of a sense of corporate social responsibility, the pressure needed to create that change may be more related to corporate self-interest. Self-interest might be recognized as the result of both internal and external pressures. The greater these changes are seen as having an effect on internal operations, the more likely it is that corporate self-interest must be served as a

justification for action. As an element of both cause and effect, what, then, is the nature of corporate self-interest in considering the feasibility of supports to working parents?

B. Corporate Self-Interest

Daniel Bell says we have just begun living in the post-industrial era. (1973) Toffler calls it the Third Wave. We depend on brain power, not muscle power as we did during the industrial era. If labor and capital are the features of industrial society, information and knowledge are those of the post-industrial, i.e. the storing, retrieval and processing of data as a basis of all economic and social exchanges. (Bell 1973, p. xiii)

This also means a change from a goods-producing society to a service society. Only 30 percent of the labor force currently is engaged in manufacturing and only 17 percent of those workers are on production lines. The remaining are white collar workers, engineers, managers, etc. (Working Woman 1981)

Breakthroughs in new fields of science (Quantum electronics, information theory, molecular biology, oceanics, nucleonics, ecology and space sciences) create the technologies of the post-industrial era -- computers, data processing, aerospace, semiconductors and advanced com-

munications. (Toffler 1981, pp. 138-140) These are replacing the classical industries of Toffler's Second Wave: coal, rail, textile, steel, auto, rubber and machine tool manufacturing. When the shift began in the 1950's, we began to see a decline in old regions like New England's Merrimac Valley, while places like Route 128 outside Boston or "Silicon Valley" in California (home of the semi-conductor) zoomed into prominence. The Sun Belt also thrives as heavy defense contracts feed the growth of its advanced technology firms.

The importance of recognizing these changes for understanding the feasibility of employer-sponsored family supports is that nearly all of the companies now providing child care-related benefits and services, or expressing an interest in doing so, are pioneers of the post-industrial era (high tech firms, medical instrument, chemical or communications firms) or are highly competitive in the service sector (hospitals, banking and insurance firms). And the major force behind their efforts to provide family support is clearly corporate self-interest.

The problem common to these high technology firms and those in the service sector for which child care has been chosen as a solution is a demand for labor. Thus, the use of child care and family benefits as a recruitment and retention tool is the first aspect of corporate self-interest to be explored.

1. Child Care as a Recruitment and Retention Tool

Because of changes in the workforce needs of our newest industries, family benefits are often thought of as a way to attract new employees and compete for the highly skilled worker. The changes in technology are occurring at such a rate that our educational system is unable to keep pace with it. Among high technology firms around Route 128, "talent is scarce, unfilled jobs are up and salaries are climbing." The Boston Globe (5/20/81) reports that it is the lack of trained people and not the economy that is the major concern among computer, electronics and medical instrument companies. Most of these firms are "growing at 25 - 35 percent in revenues this year (and) increased their workforce by at least 10 percent." (Boston Globe 1981) Continued growth is expected because of the Reagan Administration's defense technology spending.

Wang Laboratories along the Route 128 circle of Boston has not only opened an on-site day care center, but has started to build a university to train computer technicians.

Another view of the economic growth potential of high technology firms is recognized in North Carolina. This state became the second home of the textile industry some 60 years ago. They sponsored a number of the on-site centers opened in the late 1960's. Most have since closed. North Carolina

is now looking to the microelectronic industry to lift its wage base and economy. High technology companies are being lured by tax breaks and research centers sponsored by state government. If successful, it is possible that the growth of these high technology firms may make North Carolina a new hot bed of activity in employer-sponsored child care, because of the demand for labor they will undoubtedly experience.

The labor shortage within nursing exists not for lack of trained personnel, but rather because of the number of trained nurses who are inactive or not working in hospitals. They move into regulatory and policy functions or temporary agencies lure them with higher salaries and flexible hours.

High technology and service firms, because they are competing for talent from a limited labor pool, require extraordinary means of attracting and retaining qualified personnel. The provision of employee child care supports is clearly within the corporate self-interest because it gives management added leverage in a market where high salaries alone are sometimes insufficient to lure skilled labor.

The widespread use of on-site child care centers at hospitals has been particularly successful in fulfilling the demand for nurses not simply because most nurses are women and possibly mothers, but also because such employer-sponsored services meet a real need of nurses which community-based

services often fail to address: the need for child care during late-night and weekend hours when hospitals demand nurses to work those shifts.

The hospitals provide the best evidence that employer-supported child care is a successful recruitment and retention tool, for it has been designed with that as its primary purpose and the results are observable. The feasibility of employer supports to working parents ultimately rests in its capacity to solve the problems at which it is aimed.

2. Child Care as a Productivity Tool

Corporate self-interest is only partly fulfilled by recruiting and retaining skilled personnel. Once employees are recruited, management is then concerned about employee performance and productivity on the job.

Especially in recent years, competition with other highly industrialized nations such as Japan and France has brought on an increased concern for productivity. The economy has also created a need for companies to maximize the output of human capital because it cannot tolerate high levels of turnover and absenteeism.

The assumption that provision of child care improves productivity was made most poignantly in the movie 9 to 5 in which a corporation providing flextime, part-time work and a day care center to its employees apparently increased produc-

tivity by 40 percent. Unfortunately, the research findings supporting a causal relationship between provision of child care assistance and the amelioration of management woes is hardly more substantial than the Hollywood version.

The anecdotal evidence from existing programs is overwhelmingly supportive of child care as a management tool. According to Perry's survey of 305 on-site centers (including those in companies, hospitals and unions), the designated number of managers believed their programs accomplished the following:

Table 1. On-Site Day Care Center Responses to Issues Affecting Productivity

Number of programs responding*	
53	Increased ability to attract new employees
49	Lowered absenteeism
48	Improved attitude toward employer
40	Improved attitude toward work
34	Lowered job turnover
29	Improved community relations

* Percentages were not useful because a large part of the sample did not respond.

** Source: Perry, Establishing Services Through the Workplace (1981) U.S. Dept. of Labor

These findings were confirmed by research conducted by Welfare Research, Inc. (1980). However, they also spoke to managers and based their findings on impressions and not empirical evidence.

Only one company attempted an experimental study of productivity gains as a result of the child care program. The Northside Child Development Center in Minneapolis, sponsored by a consortium of businesses, spearheaded by Control Data, studied 90 employees over a 20-month period. Thirty subjects were mothers with children in the day care program. They were matched to a sample of 30 who did not have children in the program and to another 30 employees who had no children or grown children. The absenteeism rate for day care mothers was 4.40 compared to 6.02 for nonparticipants (the other two control groups combined). The turnover rate was 1.77 for day care mothers and 6.3 for those not in the day care program, both statistically significant differences. (Milkovich and Gomez 1976)

Empirical evidence supporting the bottom-line value of company-sponsored family supports is scanty due to 1) lack of research; and 2) lack of models on which to base the research. This paper argues that employer provision of family supports becomes feasible, first when it meets self-interest. However, we do not yet have the tools or data to substantiate such a determination. Therefore, we must look at other factors

affecting the decision to change, including the resistances to developing needed information.

C. Family-Work Interface and Its Effect on Meeting Management Objectives and Self-Interest

The reasons both for the lack of research on child care as a management tool and for the minimal existence of employer-sponsored child care programs are closely tied to the traditional reasons for the separation of work and family.

In part, the traditional denial of any connection between family and work is due to an earlier overinvolvement on the part of companies in the lives of their employees. During a brief period of welfare capitalism around the turn of the century, companies not only concerned themselves with families in their employ, but tried to control them in paternalistic fashion. Companies such as H.J. Heinz and National Cash Register sent inspectors into employees' homes to make sure they were adequate and respectable. (Kanter 1976b) One cannot help but conjure up scenes from George Bernard Shaw's Major Barbara where the eccentric hero provided whole communities for his employees in order to gain their loyalty and, ultimately, to control them.

Aside from this round of welfare capitalism, modern Parsonian theory held that the separation of work and family was necessary for the smooth and efficient functioning of

each. The belief was that their respective standards were in conflict: where the family acted on mores, values and emotion, the corporation was motivated by more objective criteria. (Kanter 1977b)

But, as our technologies change, so do our values and behaviors. As the corporation becomes less able to define itself as an exclusively economic unit, the family finds its sphere of influence expanding as well. More than a third of those surveyed in the Michigan Quality of Employment studies felt that job and family interfere with each other. (Pleck et al 1980) The effect of that interference is widely known on the assembly line as the 3:00 syndrome where mothers produce less and are prone to more accidents due to worry about their children coming home from school to an empty house. The inability of companies to remain immune to family influences can also be seen from research conducted by Dun and Bradstreet who found a tenfold increase between 1974 - 1975 in the number of companies with executives refusing to transfer. (Greiff 1980) The problem has been recognized by companies such as Citibank and Connecticut General Life Insurance which have hired relocation specialists to help find jobs for spouses and child care for the children.

The reality, as Kanter describes it, is that "no part of modern life goes uninfluenced by the structure of capitalistic institutions," (Kanter 1977a) the family, of course,

being a critical link in the capitalistic economy. Cochran and Bronfenbrenner go further to say that the "institution with the greatest influence over the future of the American family in its child-rearing role is the world of work." (Bronfenbrenner 1981)

In the 1981 General Mills study, Family at Work: Strengths and Strains, (p. 38) 72 percent of working mothers agreed:

> People who expect to get ahead in their careers or jobs have to expect to spend less time with their families.

They further reported that consideration of their families affected employees' decisions in the areas and at the rates below:

Table 2. Employee Response to Work-Family Conflict

To work certain hours	55%
How far to commute	38
Accepting a promotion	38
How much travel to accept	29
To transfer or relocate	27

These sentiments are new...or at least, newly expressed. Yet, today's corporate practices and the research on them have paid little attention to the influence of family, or to non-work characteristics in general.

Non-Work Factors. Peskin asserts that "the personal

reasons for turnover (relocation, health, change in marital status, and the like) account for a relatively small fraction of industry's turnover crisis." (1973, p. 2) He then goes on to acknowledge that jobs do not exist in a vaccuum, basing his contention on "studies (which) have shown that low pay, a high proportion of female employees and the absence of a union contribute to turnover, demonstrating that even relatively remote conditions influence the satisfaction people gain from their work." (ibid.) [Emphasis added]

Why is being a woman considered a "remote condition" with little bearing on satisfaction at work when that same "remote condition" is often integral to being hired for work (a fact demonstrated by the clustering of women into a few traditionally female occupations)? It is important to acknowledge both the personal and structural reasons for this segregation.

In a study by Gowler, et al (1969), of the relationship between the effort put into work and the rewards received, it was found that women felt an imbalance because they did not feel they were paid enough for the work they did. A slight, but important difference in men's reactions indicated a dissatisfaction with having to work too long for too little. Men compensated for the perceived imbalance of effort-reward relations by working overtime. Gowler then acknowledges women's family responsibilities -- but only as the reasons for why she cannot

correct the imbalance she feels by working overtime, as do the men.

This conclusion ignores a man's responsibility toward his family. It also belittles a woman's contribution to her work. Such arguments provide managers not only with a pat excuse to neglect family roles but, worse, with an excuse to perpetuate inequity between men and women in work opportunities and wage rates. Furthermore, they highlight the sexism implicit in prevailing notions of family-work conflict: for a man the conflict arises when he loses his job; for a woman, when she takes one.

Most importantly, the Gowler conclusions assume that it is the family that must lose in the correction of an imbalance: if effort must increase at work rather than rewards, then the family, not the company, pays.

The point of this discussion is that the commonly accepted tradeoff between family and work may in the long run be erroneous, for if family problems affect productivity, the company may ultimately pay as well.

That existing research does not tend to support such a view is due to the fact that most of the literature emphasizes the intrinsic aspects of work as important to motivation and worker satisfaction. Widely held organizational theories ignore family-work conflict and belittle the impact of extrinsic motivating factors such as fringe benefits (including child care

supports), as a means of ameliorating management problems. Therefore, we are left without empirical evidence supporting the use of family supportive benefits as effective management tools and also without a theoretical base supporting their potential. In the absence of such data, it is important to explore in greater detail some of the theories of motivation and turnover to shed light on whether or not, and why, the role of families and extrinsic rewards, if not related to job content, are, in fact, less valuable to workers.

1. Intrinsic Aspects of Worker Motivation

The classic view supporting intrinsic factors of motivation was developed by Fredrick Herzberg. Herzberg asserts that motivation is sparked by factors intrinsic to the job, such as achievement, recognition, responsibility and growth or advancement. Benefits are just outside stimulation, or what he calls KITA (Kick in the Rear), which will not provide the individual with the internal "generator" to persist on his/her own. Herzberg also notes the transformed value of benefits into rights which he believes further dilutes their motivating capacity. (1968)

Herzberg goes on to distinguish the intrinsic motivators that increase job satisfaction from stimuli in the job environment that reduce job dissatisfaction. These stimuli or extrinsic elements, which include policy and

and administration, work conditions, salary, status, security, etc. are known as hygiene factors. The important point made repeatedly in the literature is that job satisfaction and dissatisfaction are not opposites. "The opposite of job satisfaction is no satisfaction and similarly, the opposite of job dissatisfaction is not satisfaction, but no job dissatisfaction." (Herzberg, p. 57)

If one accepts that satisfaction and improved work performance are the result of things pertaining only to job content, i.e., to intrinsic factors, the question is whether dissatisfaction with extrinsic factors will also result in turnover? Which causes more turnover -- the absence of satisfaction or the presence of dissatisfaction? Among intrinsic motivators or hygiene factors?

Oldham found that the intrinsic aspects of work accounted for the greatest portion of satisfaction and dissatisfaction, but were rated low in priorities among the female laborers she studied. She concludes that her dissonance model "brought to light a crucial element in the understanding of withdrawal from work viz. the importance of looking at non-work factors," (1979) i.e. extrinsic factors influencing worker satisfaction or dissatisfaction. She believes that her findings differ from previous research because they concentrated on job factors alone.

2. Extrinsic Aspects of Worker Motivation

Herman, et al demonstrated that structural characteristics of the organization, as well as demographic background were related to employee's responses to their work environment. They concluded that,

> Employees with similar demographic characteristics (age, sex, marital status, educational level) reported similar degrees of satisfaction with work and job involvement, and experienced similar levels of motivation. This unique relationship between demographic characteristics and psychological responses suggested that employees perceive work experiences through the lens of their own value system, possibly even to the point of shaping their working conditions to fulfill personally desirable outcomes.
>
> The demographic profile appeared to be representing a systematic response orientation which was not related to the objective characteristics of the employee's position in the organization. Such a response orientation is probably not tied to any specific work environment, but rather may be based on a personal value system culled from past experiences in both work and nonwork settings. [1975:228]

The personal value system which people bring with them to work results also in a set of needs, specific to each individual. The more systemic approach to organizations, as that espoused by Michael Beer, holds that need is the springboard of motivation. "The capacity of an organization to meet individual needs is heavily dependent on its ability to survive and prosper in its environment." (Beer 1980, p. 1) The ability of an organization to achieve its goal will depend on the congruence between people, process, structure and environment.

In an analysis of family-work interface among executives (although applicable to lower wage-earning employees as well), Greiff and Munter conclude:

> The executive, the family and the organization will be useful to each other only if they choose to make mutually supportive tradeoffs. And if this triadic relationship is to function effectively, as it must, then each member must recognize and meet the needs of the others. This will require adequate time, education, dialogue and a genuine willingness to collaborate. The integration of business and personel life can only strengthen the family and make the corporation more vigorous and useful in the community. [1980: 228]

Beer goes on to say that unless the organization "provides for a satisfying quality of work life . . . it will ultimately be unable to attract, keep, motivate and influence employees." (1980, p. 1) The Quality of Work Life literature includes extrinsic rewards as a contributor to performance, asserting that such rewards have the ability to improve productivity over the long run and to satisfy workers. Lawler finds no one reward the most effective, but shows promotion, pay and fringe benefits to have the greatest impact on quality of work life and organizational effectiveness because they are important to most people.

Yet, if we look at the history of fringe benefits, the reasons for their adoption and growth and how they relate to wages, we find that they are not, in most instances, <u>rewards</u>, because they do not relate directly to the work performed.

Perhaps with outstanding performance, one is rewarded with a bigger desk, season tickets to basketball or permission to work at home, and such rewards for success in performance actually may lead to increased time spent with the family.

However, a child care benefit is not intended to reward employees for having children; it is intended to protect the employer against lower productivity by employees due to family-work conflict. And if tied to a recruitment effort, a child care benefit clearly cannot be proffered as a reward because new recruits have performed no work as yet for which they can be rewarded.

Therefore, to better understand the purpose of a child care benefit and its ability to meet intended goals, fringe benefits in general -- their history, practice and role in employee compensation -- must be examined first. What first must be established is not whether a child care benefit can be used as a recruitment and retention tool, but more broadly, whether benefits of any kind can serve that purpose.

3. The Changing Role of Fringe Benefits in Employee Compensation

Many of the basic fringe benefits were offered before 1900. Gratuitously given, they were discontinued in the early 1930s due to the Depression. During the mid-1930s, organized labor used the backing and protection of the Wagner Act to make benefit demands at the bargaining table. Concessions were

made by management as a means to expediency, but also because the war-time tax structure was designed to confiscate excessive profits. Regarded as contributions to the health and welfare of employees, fringe benefits were considered legitimate business expenses, and were therefore nontaxable. (Wistert 1959, p. 2)

Wage controls required by the Stabilization Act of 1942 prompted the rapid growth in benefits during World War II. (Deric 1967, p. 10) The Inland Steel decision in 1948 made welfare and pension plans bargainable items and prevented management from altering benefit plans without union negotiations. This also gave impetus to the 1949 union pension drive, so that between 1949 and 1952, fringe benefit costs rose by 60 percent. (Wistert, p. 4)

The Korean War also was accompanied by wage stabilization controls and benefit increases. Since World War II, salaries have tripled, but benefits have increased in value sixfold. (Deric, p. 10) In 1975, the Chamber of Commerce estimated that benefits constituted between 35.4 - 51.8 percent of payroll. As many have observed, if the growth rate continues, the paycheck may become the fringe benefit. To reflect this phenomena and concern, fringe benefits are now referred to as "employee benefits."

The purpose of employee benefits has been clouded by its relationship to wages. Shortly after World War II, em-

ployers protested claims for unemployment compensation among laid off workers on the grounds that benefits were wages. If benefits are indeed wages, then an unemployed worker receiving terminal fringe benefits (i.e., wages) is disqualified from collecting unemployment compensation. (Allen 1969, p. 205)

However, from their earliest development, benefits apparently were not conceived as wages or payments attached to service, for they related invariably to compensation for no work -- holidays, leave, severence pay. Benefits are "related to actual service only to the extent necessary to effectuate their social purpose." (Allen, p. 30)

Unions warn against the substitution of benefits for wages and have often made attempts to define benefits as an earned right as are wages. To succeed legally, they had to win unqualified eligibility to receive benefits for all employees who gave service. They were unsuccessful in these attempts because eligibility for benefits is not based directly on service, but on the need for the benefit, to be paid only as the need arises. If an employee doesn't serve on jury duty, he or she does not get paid for it. No matter what the length of service, an employee's survivors will not receive death benefits if the employee does not die. (Allen, p. 240)

Perhaps the best way to distinguish wages from benefits in their ability to meet employee needs is that wages <u>create</u> a standard of living, while benefits <u>protect</u> that achieved

standard of living. These protections occur in the following ways:

1) Penalties and premiums are offered to establish and enforce standards of work performance. They provide incentives and a measure of job security.
2) Provisions for time off without loss of income enables the pursuit of career development or leisure time.
3) Economic hazards such as illness, unemployment and old age are protected. (Allen, p. 27)
4) Reduce taxes by (a) deferring a portion of income till after retirement when taxes are lower; (b) allowing the use of capital gains to take advantage of lower taxes; and (c) offering benefits that employees would otherwise have to pay for with after tax dollars. (Deric 1967, p. 10)

Whether employees consider benefits rewards or protective aids, they increasingly seem to regard them as entitlements. Most workers expect their employer to provide for their social well being. Kanter astutely observes that the slang for benefits is "bennies," also slang for a type of addictive drug. (1977b, p. 40)

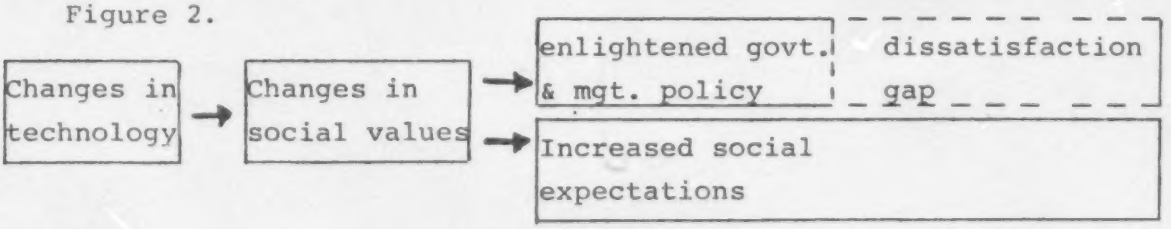
Most of these attitude changes relate to a transformation of the employer-employee relationship. The labor force is more highly educated than before, less tolerant of adverse working conditions and less reticent to express its demands to management. The most telling example of this trend can be seen among the striking air traffic controllers. The New York Times (8/16/81) depicted them as "the new kind of American worker . . . who will increasingly demand the respect and

status traditionally accorded white collar workers." The article goes on to quote Robert Shrank of the Ford Foundation who commented, "Here you have guys making $30,000 a year or more and their basic complaint is the insensitivity of management." It marks the first time American workers have given up their jobs because they were mismanaged.

The work policies founded traditionally on the needs of the male breadwinner are inappropriate for those women comprising nearly half of the labor force today. In addition, inflation and high taxes have undermined the incentive value of cash compensation, (Deric, p. 10) so that "those who now hire the labor of others must take on certain social responsibility pertaining to the needs (of employees) off the job and in the society of which (they) are a part." (Allen 1969, p. 267)

Helen Murlis of the British Institute of Management depicts these changes and demands in the following way: (1974, p. 4)

Figure 2.



The increased social expectations directed towards employers result in demands for more benefits. The question that remains is whether the meeting of employee expectations

with new benefits is capable of meeting the employer's expectations for a return on its charity.

In light of Expectancy Theory (Lawler and Vroom), we find that benefits are indeed capable of motivating employees, when attention is paid to the attractiveness of the individual benefit to the employee. "The motivation to behave in a given way is a function of a) people's expectancies or beliefs about what outcome or rewards are likely to result from their behavior and b) the valence or attractiveness individuals attach to the outcomes or rewards as they estimate the outcomes' ability to satisfy their needs." (Lawler and Rhodes, 1976)

And if the effectiveness of the benefit depends on its ability to meet individual needs, it is not just provision of child care per se, but the provision of a specific child care benefit finely attuned to the individual needs of the employee population that will enable the benefit to effect its purpose.

PART III: ASSESSING THE FEASIBILITY OF FAMILY BENEFITS AS A MEANS TO MEET MANAGEMENT OBJECTIVES:

A CASE STUDY

A. Framework for Analysis

B. The Bank of Suburbia

C. The Rationale for Involvement

   1. Corporate Social Responsibility

   2. Corporate Self-Interest

D. The Family-Work Interface

E. Selecting Child Care Benefits

THE BANK OF SUBURBIA CASE STUDY

A. The Framework for Analysis

The theoretical investigation of parent needs and corporate rationale for provision of work policies that support the family creates a practical framework for a feasibility study of employer sponsorship of family support programs as a means of meeting management objectives.

The framework is to be used to answer: 1) whether any kind of a family support program can meet management objectives and 2) what specific form of family assistance will be most effective in meeting management objectives. If all of the questions listed on the right side of the framework (Table 3) are answered in the affirmative, then it should be concluded that provision of a family benefit or service will accomplish management goals.

There is no criteria for determining the form that a working parent initiative should take. This is due to the complexity and uniqueness of each family, company and community. The final selection of an option will depend on the confluence of interests serving management agendas, parent needs and community resources.

This framework forms the basis of a feasibility study conducted at The Bank of Suburbia, Massachusetts and specifi-

Table 3. Framework for Analysis

Process for Determining Whether to Provide Family Support Benefits	Criteria for Whether to Proceed With Family Support Benefits
I Identify Employer Expectations: The Rationale for Involvement*	I Can Provision of Benefits Serve Employer Interests?
A. Identify areas of self-interest i.e. the management problems at which child care is aimed.	A. Are the identified management problems family-related?
B. Identify the feasibility from an employer perspective.	B. Is is conceivable that a change in benefits or personnel policies would solve the management problem for some employees?
II Identify Employee Expectations: The Child Care-Related Needs of Parents	II Can Provision of Benefits Serve Employee Interests?
A. Determine the interface between the demands of family and work, i.e. what is the typical family structure within the community? What is the nature of the job?	A. Are there elements of work and family life that are plainly incompatible? (e.g. center closes at 5 pm and work ends at 5:30 pm)
B. Identify the parent's needs, i.e. those that appear to influence work behaviors. (The four-need framework identified in Part I would serve this effort.)	B. Are parents' problems child care-related?
C. Identify the feasibility from a parent's perspective.	C. Is it likely that a change in benefits or personnel policies would solve a parent's problems in applying for or staying on a job?

(Table continued, next page)

* A company that tends to be socially responsible and whose purpose in providing child care is to further that facet of the corporate culture will not need to assess the rationale for involvement in the same way as a company attempting to solve management problems with provision of child care.

Table 3 continued

Process for Determining the Form That a Family Support Program Should Take

III. Select the Appropriate Form of Child Care

A. Identify overlapping parent needs and management agendas.

B. Examine the community-based services for gaps and potential linkages and partnerships.

C. Consider the options in light of other benefits and work policies.

D. Estimate the cost implications of the various options.

cally commissioned by The Bank in order to determine whether or not an employer-sponsored child care program would address the specific concern of bank management to reduce its high employee turnover.

This part of the paper outlines the history of the study as well as the recommendations made on the basis of its findings.

Methodology. The information needed to make the assessments posed in the framework for analysis was collected from a variety of sources. There were numerous discussions held with the Vice President of The Bank and the Personnel Director. Interviews were held with all Branch Managers, seeking their opinions about the causes of teller turnover and the efficacy of mothers serving as tellers. Opportunities were taken also to observe teller work and talk to tellers. Once a sense of the issues were obtained, the President of the Bank was interviewed.

All employees were surveyed regarding their opinions about Bank provision of family benefits and their child care needs and family-work conflicts. (More detailed information about the survey appears in Appendix G.)

Finally, personnel managers at five of The Bank's competitors were interviewed to make turnover comparisons, e.g. their levels, costs and causes, as well as to learn about other initiatives being used to tackle the problem. Most interviews were taped and the quotes that appear in this sec-

tion are verbatim.

B. The Bank of Suburbia

The Vice President and Treasurer of The Bank is responsible for many of the changes taking place there. She is the individual who initiated the attack on turnover and who spearheads the efforts to try child care as a solution. She is a sharp woman and well respected by the branch managers and the bank President.

The Vice President is in her late thirties, recently married and considering having a baby. She was acquainted with the notion of child care and posed the idea to the bank President. He offered his approval and the investigation began in the fall of 1980.

The Vice President knew that nearby Stride Rite had an on-site day care center and also knew one of Stride Rite's board members. She used that connection to move up the waiting list for a tour of the Stride Rite center. Miriam Kertzman, Director of the Stride Rite center, is also on the board of the Child Care Resource Center (CCRC), and she recommended that organization for further assistance in conducting a feasibility study. (I was at that time working with CCRC on their efforts to involve the corporate community in child care.)

At our first meeting, the Vice President explained her reasons for considering child care and her hopes of start-

ing a day care center for employees of the Bank. She felt that the high turnover among bank personnel prevented them from having a well-trained teller workforce which in turn impeded the overall mission of The Bank: to give good service to customers. Thinking about the kind of person who is both available and willing to work as a teller, bank management concluded that working parents, particularly working mothers, might be appropriate. The Bank further assumed that the provision of some kind of child care assistance would provide the needed recruitment incentives and later prove to be of equal retention value. The feasibility study was conceived and designed to test these assumptions. With this information as a starting point, the investigation began.

The following review of the feasibility study presents a mini-organizational diagnosis employing elements of Harry Levinson's very detailed and rigorous approach. It then applies the framework as it appears above.

In the first part is an analysis of The Bank's proported corporate rationale for considering child care -- its proclivities toward corporate social responsibility and how such a consciousness is manifest in the corporate culture of The Bank. This involves a special look at The Bank's environment, its leadership, management style, logo and personality as perceived by employees.

1. Bank History and Corporate Culture

The Bank was established in 1871 and housed in its current location since 1922. The Main Office building is architecturally beautiful, reminiscent of plush banks of the earlier part of the century, with large landings overlooking the floor and cathedral ceilings.

The Bank has grown steadily over the years, now operating with four branches in addition to the Main Office. They rank fourth out of 165 Massachusetts banks in their liquidity. The President attributes his success to aggressive cost control and assets management. When most banks were hard hit in 1975, The Bank was benefitting from the fact that they did not loan out the money earlier received during the rush of deposits in 1973-74. They had invested in short term assets and received a negative yield (highest rates of return for the shortest period of time).

An officer of The Bank attributed the success to the good management of the President. She said, "We are trying to balance off earnings and growth. Growth costs you money, so last year we went more for earnings than growth. We've had gains when others had losses. Part of it is strategy. The Bank isn't overstaffed. We are not overpaid. He (the President) doesn't drive a Cadillac. There's very little fat."

The Board was described as conservative which is cus-

tomary for banks. It was also described as being in the process of change. The Bank's logo is "The old bank with new ideas...changing with the times." When asking bank managers what they thought of the logo and whether it accurately reflected the tenor of The Bank, most replied affirmatively, but also cautioned against using the more progressive interpretation. As one manager said, "It's supposed to say that we've been here a long time, that we are solid, you can rely on us to be dependable. We're not the first, but keeping up with the times."

When asked to describe The Bank "as a person," (Levinson,1972, p. 524) managers responded variously:

> A lot of different personalities. Conservative; responsible; commitment to service; changing. Trying to accomodate old values with the new people to modern times. What you end up with is the best of the old and the best of the new.
>
> Efficient; service-oriented institution. Has personnel who are happy; comradeship; teamwork.
>
> Dependable; stable; predictable. Now it is dynamic, energetic, progressive, where 8 years ago it was not progressive at all. Now it is young and vital. I've seen it go through a revolution.
>
> We are in the process of change. A few years ago it was a little old lady, a little on the chubby side and sure, things are going fine. It's changing now. You might say the little old lady is jogging now.

In summary, it would appear that The Bank is a reputable financial institution which cares first about its

depositors, but which does not ignore the importance of employees or community. The connection between the ultimate goal of improving customer service and providing for the needs of employees was made by a highly respected Vice President on the basis of her personal as well as professional insights. Perhaps nudged by personal feelings about having her own children, as well as by her personal connections to those with access to important information, she was also aware of the broader issues relating to the nature of teller work, the labor market and issues of family and work interface. Most importantly, she knew how to sell her idea to the President...and he bought it because of his overriding concern for the bottom line.

In fact, the descriptions of The Bank as a person resemble the personality and thinking of the new Vice President more than they do the President (although some of the change began to be felt when he started nine years ago). Its "young, vital" image juxtaposed to its traditionally conservative behavior seems to convey a picture of a more decentralized organization. Had The Bank a more centralized organization, the description would have conformed exactly to the person in control. Clearly, the President has relinquished some control and allowed the Vice President to pursue a rather new and unique endeavor. The course of that inquiry will be directed by the rationale for corporate involvement.

C. The Rationale for Involvement in Family Supportive Benefits/Services

Having understood the circumstances of the case study, the feasibility study proceeds as outlined in the framework: an identification of the rationale for bank involvement in family concerns (employer need and expectation). The second phase of the feasibility study focuses more on the specific concerns of the employee population (parent needs and expectations). First, the two directions for rationale are examined: corporate social responsibility and self-interest.

1. Corporate Social Responsibility

An examination of the banking industry at large provides a useful context for this analysis of The Bank's views on corporate social responsibility.

The banking industry today is in the throes of change and therefore somewhat troubled. For example, the money markets now involve companies which do not come under the same federal restrictions as banks. This development creates the need for new competitive banking strategies. Savings banks have typically competed on non-financial bases -- new branches, customer convenience, and new offices replete with fancy architecture, plush carpets, etc. As President of The Bank explained:

> Try to imagine...a bunch of retailers had to sell toothpaste at x¢ a package because the

> price was set by government. How would retailers get you to do business in their store rather than in other stores? Location of the store and all the amenities, like piped-in music, etc. Well, that's where all the competition has been in banking -- for deposits. Now all of a sudden they are phasing out these fixed prices...when the regulations and subsidies phase out, we are going to compete more on a financial price basis...on an open market...it is going to be very intense and there will be some fall out. No one in this business can afford to be doing anything that they can't justify on a bottom line basis.

As will be shown, this philosophy affects directly the corporate rationale and hence, the feasibility of a child care support program for the Bank.

Others in banking express another sentiment described earlier and echoed here by Harry Taylor of London's Institute of Bankers:

> ...that one of the biggest challenges facing private enterprise today is to show that it is able and willing to mobilize its material and human resources in such a way that it plays a real part in achieving the social objectives the community sets for itself...The key to meeting this challenge is money and people, areas in which banking is strong. [1974:34]

The Conference Board (1980) points out that there are three characteristics inherent in the nature of banking that explain banking's interest in social issues: "1) banks operate within well-defined and relatively limited geographic areas; 2) they are highly competitive; and 3) they serve a universal market within their communities." Many of the bank's

programs addressing such issues as minority businesses, female employees, housing developments, etc. can provide new checking, savings and loan accounts leading to greater bank profits over time.

This sentiment is in contrast, however, to that expressed by the President of The Bank:

> ...A lot of business decisions based on do-goodism really are very bad for business in the long run. One of this industry's problems is that for a long time the industry was confused about what its mission and goal was/is. That's one of the reasons that we have the problems we do today, not the only reasons by any stretch of the imagination, but it's one of them. They regarded themselves, savings bank institutions, as almost quasi-charitable institutions as did the trustees and incorporators. I can remember bumping into presidents of banks who were telling me that they were proud that they had made that loan for less interest cost than somebody else did. And you have to ask yourself, "Who are they serving?" Certainly, they are serving the borrower; but were they serving their institution long run? Were they serving their depositor? Now they can't pay the kind of interest rates that their depositors want because they gave money away to some borrower 8, 15, 20 years ago. They had some of their priorities mixed up.
>
> I think in making business decisions about child care, that it has to be within the context of any business decision - it has to make sense from a business standpoint, long run. It's going to benefit your business, it's going to enhance your profitability, your success over the long run.

While The Bank accepts a role in being socially responsible, it is clearly more motivated by the bottom-line.

2. Corporate Self-Interest: Reducing Employee Turnover

The Vice President initially expressed concern about turnover among tellers. It thus becomes necessary to examine the nature of the turnover, i.e., the "pain": its severity, costs and causes.

Price defines turnover as the "degree of individual movement across the membership boundary of a social system." (1977) Turnover is both voluntary and involuntary, though mostly it is voluntary. However, records do not make this distinction accurately because employees do not want a dismissal on their record and the employer does not want to pay unemployment compensation. Therefore, most measures of turnover do not make the distinction between voluntary and involuntary and include the total loss experienced by the company. With that limitation in mind, turnover is typically measured by the number of employees leaving and the number remaining (the on-roll count) each month. (Formulas used in assessing turnover for The Bank appear in Appendix B.)

Levels of Turnover. Quarterly reports from five consecutive quarters indicate that during each period of 1980, The Bank lost nearly one-quarter of its total work force. This means that The Bank sustained a 100 percent annualized turnover rate for the year. The highest rates for each quarter occurred in the Savings Department which includes tellers. (Quarterly

reports of turnover may be found in Appendix C.)

According to personnel records, of the 69 new employees hired during 1980, 24 stayed through the first quarter of 1981. This loss of 65 percent of those hired in 1980 occurred largely among tellers. Among 27 exit interviews reviewed, 17 were tellers. Ten of these tellers remained one year or less. While tellers account for about 25 percent of the total employee population, they are represented disproportionately in the turnover rate.

The problem of turnover among tellers is common to most banks, particularly in smaller, suburban banks competing with the higher wages offered by the downtown banks in nearby cities. Fred Foulkes of Boston University School of Management estimates turnover rates of 70 - 80 percent as common to banks. Three other banks of comparable size to The Bank and serving the same suburban area, estimated their turnover rates among tellers to range between 50 - 60 percent annually. A larger downtown bank with three suburban branches reported lower turnover rates (approximately 32 percent for tellers) and higher starting salaries.

The Cost of Turnover. The cost of turnover involves both tangible and intangible factors. (Peskin 1973, p. 72) Intangible factors include those results of turnover that negatively affect productivity and, in the case of banks, that might mean fewer cash transactions or decreased accuracy.

These factors, whose effects are largely immeasurable, include decreased morale, missed schedules, breaking of work teams, and lower productivity of new replacements.

Tangible factors include employment expenses, breaking-in costs, start-up costs, training costs, separation expenses, short-timer costs, social security tax payments and unemployment insurance contributions. (ibid.) Many of these costs are difficult to measure precisely, but estimates are possible and have been made for those items appropriate to The Bank turnover among tellers.

Most items were taken directly from the budget as shared by the Vice President. Others were estimated with the help of branch managers and Personnel. The per employee turnover cost was calculated on the basis of 45 lost employees in 1980. The totals for 1980 were divided by 45. Though not all 45 employees were tellers, they do represent a significant portion of this total. Estimates based on 1980 figures show that each employee resignation and consequent personnel replacement cost The Bank $3563 -- a total cost of $160,341 per year. (See Appendix D for itemization of turnover costs.)

The Causes of Turnover. The feasibility of a child care support program is being considered in light of its ability to reduce turnover among tellers. If the effect of child care provision is to reduce teller turnover, then child care must also be a cause of teller turnover. In order for

child care to be a feasible solution, it must be part of the problem. But how much of a part?

While the child care problem may be severe for the individual parents who have it, there may be other parent/tellers who are not faced with child care woes, and, in more cases still, there may be nonparent tellers.

Child care thus becomes too narrow a research tract on which to assess management concerns. It is interesting to note that a major thesis of this paper has been that management, in this case, banks, looks at tellers only as tellers and not as family members. It would seem equally myopic to structure an inquiry so that it considered tellers only as parents. There must be aspects of teller work, or of teller work at The Bank, that make it undesirable as a long-tenured job. As supported in theory, there must be both intrinsic and extrinsic factors affecting teller turnover. What is the nature of teller work and what are the possible causes of high turnover?

The Nature of Teller Work. As seen through the lens of Studs Terkel and a teller he interviewed, the picture is as follows:

> What I do is say hello to people when they come up to my window. "Can I help?" And transact their business, which amounts to taking money out of their account. You make sure it's the right amount, put the deposits on through the machine so it shows

> the books, so they know. You don't really do much. It's just a service job.
>
> Nancy Rogers: She earns $500/ month. At 28, she has been a teller for six years. (Working, 1975)

As described, teller work can be fairly mundane, yet pressured. Working on a teller line requires job skills that can be learned fairly quickly. The sophistication of computers means a decreased need for teller initiative. The teller job family is not well developed, so career mobility along a path that preserves some teller functions is limited.

Teller work also can be annoying since a teller bears the brunt of customers' complaints and impatience. Tellers are under additional pressure to be quick as well as careful. Their errors become visible at the end of each day and are used as the primary measure of their work performance.

These realities are what make the teller job, especially if poorly managed, a "doomsday job," i.e. a job with high turnover. (Peskin 1973) Price's review of the research shows that the job of bank teller has a high potential for turnover, based on the fact that length of service is so consistently related to turnover because it seems to be an indicator of all five determinants of turnover -- those likely to have low pay, few close friends, poor information and little power." (Price 1977)

Two characteristics of individuals shown to be highly

correlated with turnover is age and sex. Age is found to be negatively correlated with turnover, such that according to research, the typically young bank teller would be much more apt to leave in greater numbers than older workers. (Price 1977)

While sex data is inconsistent, the preponderance of data suggests that women tend to have higher turnover rates than men. Bank tellers are more often female than male, and again, prone to higher levels of turnover.

Price found that a determinant of turnover is pay, where successively higher amounts of pay will probably produce successively lower amounts of turnover. (1977) Blau found that pay seems to be less attractive to professionals than nonprofessionals. This finding supports Maslow's hierarchy of needs which suggest that lower wage earning employees are concerned with security needs while those already financially secure are motivated by higher order needs. As low wage-earning nonprofessional employees, bank tellers would typically have higher turnover rates.

A very important fact in the examination of The Bank's turnover levels is that a large proportion of employees who left did so in less than a year's time. In two or three cases, turnover occurred within a few weeks.

Peskin believes that "analysis may indicate that short service is due to poor screening and interviewing, inadequate

orientation, improper job placement, ineffective training, a practice of assigning the dirty work to newcomers, weak supervision, low morale or interpersonal relations that make it difficult for a new hire to become a part of the group." (Peskin 1973)

This supports Pettman's finding that turnover is high where conditions are such as to inhibit the development of small group cohesiveness. Similarly, the absence of formal and instrumental communication produces higher turnover. Formal communication about tasks and role performance is related to lower turnover. It is initially helpful in providing applicants with a realistic job picture. (Price 1977)

This becomes particularly important in Suburbia which is located in a metropolitan area which has more college graduates than any other part of the country. Seeking "meaningful employment" but unable to sell their skills elsewhere in the marketplace, the typical college graduate in the current applicant pool usually has expectations beyond the demands of a teller job. The younger, less mature, but college-educated individual tends to see teller work as an interim job. She or he is bound either to leave for more interesting, higher paying jobs or to return to school or perhaps to their out-of-state residence.

The issue of appropriate expectations is crucial to the consideration of teller turnover and relates to the need for communications, as Price discusses:

> Where individuals were provided with a realistic picture of the job environment - including its difficulties - prior to employment, such subjects apparently adjusted their job expectations to more realistic levels. These new levels were then apparently more easily met by the work environment, resulting in reduced turnover. [1977, p. 74]

Much of the literature on nurse turnover indicates that "expectancy incongruity" as it is called, is responsible for high turnover rates. It is attributed to the fact that as the education of nurses shifted from the apprenticeship programs within hospitals to institutions of higher learning, nurses came to envision their prospective careers much differently than they were in reality. Expecting to assume the loftier "Florence Nightengale" role of caring for the sick in primary care, they soon learned that less than 45 percent of their time was to be spent in patient care.[2] (See Notes)

The Personnel Director of the Bank indicated that the expectations of the students entering the job market are out of synch with the realities of the job market. She said, "Unfortunately, a lot of students today are being sold a bill of goods that when you get out of college today... don't take anything less than $15,000 or go in as a manager trainee...They don't want to come in as tellers unless they have fancy teller titles and a lot more money."

Of all the solutions recommended in the literature or mentioned by managers, the importance of hiring the "right"

person seemed paramount. Managers at The Bank confirmed that a change in teller workforce might be an appropriate antidote to teller turnover. Yet, most managers interviewed seemed to feel that there was no demographic profile that fit the "ideal teller" and that the relevant attributes of the individual related more to qualities such as maturity, dependability, stability and personality than to demographic data. For instance, maturity does not always equate with chronological age. Thus, the ideal teller for one manager was a 27 year old male, part-time student. For another, it was a 50 year old woman who has recently re-entered the work-force, and for yet another, the ideal teller was a 40 year old mother working part-time.

Are mothers with young children the ideal workforce for The Bank? Most managers agreed that the characteristics of a working mother were appropriate to the job of teller: a working mother would tend to be more mature than someone just out of college, and because she is family-rooted, less likely to move. If mothers are, in fact, good candidates for a teller job, then two important questions to answer are: 1) Can they be recruited?; and 2) Can they be retained? In other words, what are the needs and expectations of a working mother on the job, and how might The Bank address them to meet its own objectives?

D. The Family-Work Interface: Needs and Expectations of Parents

1. Can Mothers be Recruited?: The Potential Applicant Pool

While many surmised that high turnover is largely the result of hiring the wrong kind of person, managers at The Bank of Suburbia raised a variety of issues regarding the specific hire of mothers.

Given the fact that Personnel rarely sees mothers apply for a teller job, the first question to be asked is: Are they out there? If they are, are there legitimate reasons why they might not apply for a teller job? And if so, is the absence of adequate child care a significant reason?

Suburbia is a relatively affluent community with a mixture of transient students, young married professionals, and elderly women. Suburbia also has one of the highest rates of single parenthood in the state.

Population estimates range between 54,000 and 57,000.* In 1979 there were 439 births in Suburbia, a number which has been declining with some fluctuation since 1970.

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* This range includes extrapolated 1970 Census data and estimates from the Suburbia Town Clerk.

Table 4. Number of Births in Suburbia: 1970-79

1970	547
1971	444
1972	378
1973	383
1974	353
1975	375
1976	354
1977	397
1978	429
1979	439

The low birth rate and a 24 percent elderly population indicates a fairly stable population in the near future. Based on a formula for the Rate of Natural Increase, which is the birth rate minus the death rate, Suburbia's rate of -1.96 indicates that the population will not see much growth. Most of the migration that occurs will be attributable to the student population moving in and out of the area.

The population of Suburbia is 57 percent female. The fertility rate of these women is lower than for the nation as a whole (7.7 compared to U.S. rate of 14.7). This may be attributable to the large number of college students who typically have lower fertility rates. (For a demographic profile of Suburbia, see Appendix E.)

Comparing fertility rates with labor force participation rates lends some insight into the relationship between motherhood and women at work. In 1970, 53.2 percent of all women in Suburbia over age 16 were employed (15,995 women).

More than 40 percent of all married women were in the labor force (4,473), 40 percent of whom had children under 6 (1,785 women). Broken down by age the labor force participation of women in Suburbia appears in Table 5.

Table 5. Labor Force Participation of Suburbia Working Mothers

Age	Number of Women Employed	% of Working Women w/Kids < 6	Number of Working Women w/Kids < 6
15 - 24	7,008	14.0	981
25 - 34*	4,005	56.5	2,263
35 - 44	2,796	77.1	2,156
Over 44	2,186	--	--
	15,995	33.8	5,400

* Data sources did not provide comparable age groups. This figure was derived by taking the number of working women in the 25 - 34 age group and dividing it by the total number of women in the 26 - 35 age group. The inclusion of 25 year olds who work interferes with a more reliable estimate.

As in the nation as a whole, women in Suburbia tend to be postponing motherhood later than previous generations. In addition, older women (35 - 44) with children are more likely to work than younger mothers. Eighty-seven percent (87 percent) of all women in the 35 - 44 age group are working, and 67 percent of them also have preschool children.

In the 25 - 34 year old group, 35 percent of the total female population are working mothers with young children. The significance of this data for the recruitment potential of mothers is that about 40 percent of women aged 25 - 34 are not now working.

To state this another way, over one-third of women in the most fertile age group are currently not working. Of the 9700 women in Suburbia, age 26 - 44, 4400 are working mothers of preschool children. The remainder (5300), either do not have children, have children over the age of six and/or are not working. Given the affluence of the Suburbia community, it seems fair to say that a portion of these women are not working. Statistics show, for instance, that 60 percent of all married women in Suburbia are not working -- but this is for all age ranges.

Nevertheless, such evidence does indicate that an applicant pool of mothers exists. Given the existence of this applicant pool -- which also may include those who are currently working but who are either dissatisfied with their jobs, unable to find suitable employment (e.g. teachers), or are desperately in need of child care assistance from their employer if they are to continue working -- it is eminently reasonable to consider a child care fringe benefit as a recruitment tool.

Single Parents. The number of single parents in Suburbia is also a significant factor in defining the potential applicant pool for whom child care might be an enticement to work. Suburbia public school officials estimate that the number of children in single parent homes ranges from 30 - 50 percent of all school children.* This estimate indicates that of the 7922 children under 17 in 1979, anywhere between 2377 and 3961 children in Suburbia might be living with only one parent.

The 1970 Census reported 14,215 families residing in Suburbia. Of these, 2,340 are female-headed households (16.5 percent), 660 of which (28.2 percent) have children under age 18. National projections indicate that the proportion of households headed by women will increase to 29 percent by 1990 from a level of 21 percent in 1970. If this increase is felt by Suburbia, the number of female-headed households will equal 36 percent of all families in 1990.

The interesting part of this projection is that Suburbia is a town which caters to the single parent. Its facilities and services make it an attractive community for those balancing family and work responsibilities by themselves. There is an excellent school system which runs eight after-

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* These are not individual homes because many of these children may be siblings.

school programs that stay open until early evening. There is an abundance of preschools and day care centers. Transportation is good, neighborhoods are safe and the housing stock offers small family units -- a feature unusual in a suburban community as affluent as Suburbia.

These factors may serve to attract single parents to the community or enable recently divorced parents with custody to remain there. If high divorce rates persist, single parenthood will remain a reality in Suburbia.

CCRC Referrals. Calls made by parents to the Child Care Resource Center (CCRC) provide another data source for identifying both the potential applicant pool of mothers for The Bank and the children for whom child care would be necessary. Since January 1981, one hundred mothers from Suburbia and adjacent communities who are currently working or looking for work, called CCRC for assistance in locating and selecting their child care arrangements. (This is about 2 percent of all working mothers with children under age 6 in Suburbia.) Sixty-seven of these mothers were eligible for some public subsidy, indicating their generally lower incomes.

Table 6. Numbers of Mothers Contacting CCRC Who Are Financially Eligible for Federal Subsidy

* Title XX (old)	33
* Title XX (new)	12
AFDC	12
Head Start	10
Total	67

* Title XX (old) is Federal legislation requiring states to provide social services to those with up to $11,900 family incomes. Title XX (new) goes up to $28,420 and uses a sliding fee scale. See Appendix F for more information.

These mothers were searching primarily for infant or toddler care (94 out of 144 children for whom inquiries were made were for children under age 3, or 65 percent). Another 31 children were of preschool age. Eighty-nine of these requests were for full-time care arrangements (64 percent). Forty-three requests were for part-time care (31 percent). Over half of all requests were for day care center care, while another quarter preferred family day care. Nursery schools and babysitters accounted for the remaining requests. These needs are consistent with a national trend of increasing demand both for center-based care and for infant and toddler care. This trend is due largely to the somewhat delayed child bearing of the baby boom generation which has produced

now a mini baby boom.

Table 7. Child Care Requests to CCRC from Suburbia Mothers During January - June 1981

Child's Age	Number of Requests	Time Needs	Number of Requests	Care Preferred	Number of Requests
Infant	38	Full-time	89	Nursery Sch.	12
Toddler	56	Part-time	43	Day Care Center	74
Preschooler	31	Bef/aft sch.	5	Family day care	33
School-age	14	Other	2	Babysitter	16
TOTALS*	144		139		135

* Totals differ because parents may have called with general information needs about programming without specifying their time needs or the care preferred.

Given that mothers on teller salaries would qualify for public assistance when little other income is available to the family, the needs and preferences for child care as expressed to CCRC by Suburbia mothers may be consistent with those of the Bank's potential labor pool of mothers.

In fact, the Child Care Resource Center has received calls from parents specifically interested in knowing which companies provide child care so that they can apply to those companies for a job. Similar interest was expressed by

individuals currently employed by The Bank who plan to have children within the next two years. One employee commented on The Bank survey:

> My boyfriend and I have discussed having children often. When we are married, I will most likely be the parent with primary responsibility for the care of the child. As such, the offering of day care or a group home would be an important factor in my consideration of where I work.

A portion of Suburbia's 5400 working mothers, while already employed, neverless may find it difficult to balance job and family without child care assistance. They too may seek out employers who provide child care benefits.

In summary, the data confirms the existence of a potential applicant pool of mothers in Suburbia who might apply for a job where child care is provided:

- There are 5400 working mothers with preschool children, 33.8 percent of the Suburbia female workforce.
- At least 2500 women aged 25 - 34 are not currently employed. Based on Age Specific Fertility Rates, these women should have approximately 1235 children.
- There are 660 Suburbia families in which the mother heads a household with children under age 18.
- Suburbia mothers have reached out to the Child Care Resource Center for assistance in making their child care arrangements and requesting names of employers who provide child care. Most are earning what tellers currently earn.

Considering the small number of tellers (about 25)

The Bank would actually be interested in hiring, the potential applicant pool of mothers in Suburbia indeed looks promising.

While a job which meets their child care needs might be attractive to these unemployed mothers, the question still remains as to whether these mothers are desirous of or suited to teller work.

2. Can Mothers Be Retained?: The Realities of the Teller Job

How do the demands of a teller job interface with the demands of motherhood? Can employers meet a mother's need for flexibility and meet its own objectives as well?

There are some realities of the teller job that may support the kind of work environment desired by women with young children. There are also aspects of the job that do not lend themselves well to the demands of a family or to the interests of the kind of mother currently at home with her child.

While it may be that mothers are more mature, anxious for contact with other adults and less transient, a woman re-entering the workforce after a number of years may have problems readjusting to the work environment. The pressure caused by the responsibility of handling large sums of money all day may be difficult for any individual, but is particularly so for one who has been out of the labor force and lacks self-confidence. In such circumstances, a mother re-

turning to work may require longer training periods and closer supervision.

Although aware of this phenomenon, four bank managers agreed that, once trained, these women tend to be extremely conscientious and dependable workers. They attributed this adaptability to their family and "career" orientation. Interviewed managers commented:

> I think they [mothers] would be good. My experience with older women is that they work very hard. They appreciate the job much more than a younger person who thinks, 'Well, I can just go out and get another job.'
>
> They just hired a woman with five children...and I am very happy to get her because she has maturity. She's going to come in and give me a good day's work and go home. [She's] going to be happy at her job and come in every day. She's not going to get involved with many of the things that the younger person would without maturity.
>
> If you want just a plain teller, take a housewife with children about 10 or 12. They can start part-time and maybe go on to full-time. They are not interested in becoming managers; they are secure with their husband's income so they just want extra money to spend on themselves or give their children extra. These people are usually quite intelligent. I do not believe they have the kind of commitment that a person who wants to get ahead has. They like to work their hours and go home. You want a nice environment to work in; they like to chit chat with people outside of the neighborhood. I don't think they are the kind of people you can make demands on as far as working overtime.

This latter point addresses another issue related to a mother's hours. (For instance, The Bank has a requirement for

"settlement time" at the end of each day and tellers cannot run out without settling.) Despite their overall dependability, working mothers are sometimes detained or distracted by emergencies at home. However, some managers recognized that anyone, not just mothers, are sometimes faced with emergency situations. In such cases, management's response to an employee must be one of flexibility. Furthermore, managers unanimously agreed they would rather tolerate a mother's occasional family-related emergency than contend with a short-term employee.

The Need for Part-Time Work. Part-time work seems to be the most suitable for working mothers and, in today's economy, seems to suit many employers as well. Between 1965 and 1977, the number of part-time jobs increased three times as fast as full-time jobs. In many communities, especially in suburban or labor-intensive areas, employers find in part-timers a source of skills and talents that might not otherwise be available. Part-timers are often more flexible when work schedules need to be expanded or contracted, while full-time employees represent a fixed cost in slack times. A benefit consultant from Towers, Perrin, Forster and Crosby notes, "Part-time workers can be a flexible advantage to an employer in a variable economy."

The preference for part-time work has been documented in a number of recent studies. The General Mills' study on

Families at Work: Strengths and Strains (1981) found that 49 percent of working women and 66 percent of women planning to work felt that part-time work would help them a great deal and be preferred to full-time work.

The Bank currently has about 15 part-time employees. The Personnel Director explained that some employees requested part-time work. A survey done by another Boston bank a few years ago determined the optimum staffing for each of its branches. Part-timers were hired to help out at peak hours. If The Bank were to offer permanent part-time work and also offer benefits -- such as child care or sick leave that other banks do not -- there is strong evidence to suggest that The Bank would have a significant recruitment advantage over its competitors.*

The issue of part-time work is as much related to the

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* Only one bank in the Suburbia area has tackled the teller turnover problem by hiring a permanent part-time workforce of mothers nine months per year. During vacations and summers, students serve as replacements. This program is essentially a form of job-sharing. For many years department stores have provided "mother's hours" from 10:00 a.m. to 2:00 p.m., so mothers could tend to children before and after school, after which they were replaced by students in the afternoons. Although begun one year ago, they have already found that those hired as part-timers are choosing to become full-time after awhile. Benefits are not provided by this bank. The issue of pro-rated benefits for part-timers is discussed later in this report.

retention of current employees as it is to recruiting a stable workforce. Survey results indicate that among current employees of The Bank, 7 of the 14 planning to have children said they would most likely work part-time once the child is born. A part-time employee of The Bank best expressed the mutual advantages of part-time work:

> The Bank has been very supportive of my flexible work arrangement. Both part-time hourly as well as only six months of the year. I believe the rewards of finding an arrangement such as I have, are mutually beneficial. The support I receive enhances my attitude and encourages my performance and productivity.

A bank manager expressed her support for the feasibility of a part-time teller workforce in this way:

> Maybe we could arrange to have more part-time in the Bank if we really think this through... We will have to change the benefits. I would enjoy part-time work, but the only thing that keeps me away is the benefits because I know I won't get any...I am sure we could figure out a way to manage a part-time teller workforce.

The Need For Extra Income. Perhaps the biggest obstacle to retaining working mothers may be related to salary. Where recent college graduates may have unrealistic expectations about the salary they feel they deserve, they eventually settle for what the market offers. A mother, currently at home and obviously in a financial position that allows her to be, can opt not to work. If the salary is not

sufficient to cover the extra costs of child care and still leave her with some money for her work, a mother will, more likely than not, opt to remain at home.

The salary issue is a particularly important factor in selecting the appropriate child care benefit to serve as an effective recruitment and retention tool. Child care financial assistance will be critical for most working mothers on a teller's salary. If her spouse has a high income, she may not be interested in teller work. If there is no other income or if it is not substantial, then a teller salary would have to be accompanied by some financial support for her child care costs.

Career Expectations. Other elements to consider in terms of the retention of working mothers are the educational background and qualifications for the job. A significant portion of Suburbia mothers probably have college degrees, and, like the recent college graduates currently hired, they too may feel the monotony of the job, become impatient, and finally leave. Particularly if they are young mothers and have worked a few years already, they may not see teller work as a logical next step in their careers nor as the place to re-enter the workforce.

Given the realities of her family life and the realities of the job, can a mother be recruited and retained to

work as a teller? Yes. The potential incompatibilities between role of mother and role of teller can be worked out if sufficient forethought is given to them. Mothers can be retained as tellers depending upon management's regard to the following conditions: 1) preference for a mother with a high school education; 2) attention to issues of self-confidence during training; 3) tolerance for occasional emergencies, formal back-up supports always available; 4) financial assistance in paying for child care; 5) provision of part-time work and child care benefits.

3. An Assessment of Existing Services: Suburbia's Child Care

The child care need that a benefit is supposed to meet usually exists because of a deficiency in the child care market. Therefore, to gain a better understanding of the actual child care needs of working parents and to assess the benefit that would be most attractive to them, the gaps in existing services need to be identified.

The community of Suburbia is well known for its excellent children's services. The public schools have a good reputation and each of the eight elementary schools has an extended day program with a combined enrollment of 493 children. The churches, temples and neighborhood parent groups have organized an extensive network of nursery schools; two-thirds of the thirteen programs are now extending their pro-

grams into the afternoons.

A variety of day care centers serve all ages of young children. Five centers offer preschool care to 234 children and three of these centers have infant and toddler programs. Two of these centers are family-owned businesses and the others are non-profit organizations with parents serving on the Board of Directors. In addition, there are fourteen independent family day care providers offering care to 68 children and four homes serving 16 children, which are sponsored by the Suburbia Family Day Care System. The System serves six communities and has its administrative headquarters in Suburbia.

Although Suburbia's child care services are unusually comprehensive for a single community, they are still insufficient. There are certain ages of care and certain neighborhoods where the waiting list is so long that parents are discouraged from even applying. The most difficult kinds of care to find, and the kinds of care most needed, are infant and toddler programs and subsidized care.

Suburbia child care programs generally provide high quality care, offering a wide range of curriculum and program models responsive to the various ethnic and economic groups residing in the community. Until funding was cut back in 1978, the Suburbia Human Relations - Youth Resources Commission provided information, referral, advocacy and tech-

nical assistance to parents organizing child care programs. They also coordinated efforts among child care providers, town agencies and community groups to develop quality programs. The Child Care Resource Center now serves some of this need, particularly in services to parents.

Current and proposed funding cutbacks at the city, state and Federal levels limit the resources and supports for Suburbia parents and child care providers. Cutbacks and inflation have already caused substantial increases in the cost of care. Up until this time, day care program directors in Suburbia have been unusually resourceful in acquiring needed funds. They drew heavily on CETA support staff, Department of Agriculture food reimbursement funds, Community Development Block Grants and collaborative efforts with the school department. These resources allowed programs to keep tuition down and to enroll families of low and moderate income. The primary subsidy available at this time is through Title XX which offers a Sliding Fee Scale administered by the Department of Social Services. However, only six programs in Suburbia have Title XX contracts subsidizing a total of sixty-five children. Without subsidy, the average cost for full-time child care appears in Table 8.

Table 8. The Cost of Child Care in Suburbia

Center-based:	
infant and toddler care	$115/week
preschool	$ 75/week
school-aged	$ 30/week
Family day care:	
all ages	$ 80/week

It is obvious that many families in Suburbia must spend a much larger percentage of their income than the recommended 10 percent if they are to purchase high quality care that is consistent and reliable.

Suburbia day care directors interviewed for this study expressed interest in collaborating with local employers to help meet the child care needs of local employees. Their interest was strongest in vouchers or some other mechanism that would provide stable funding.

Any new public funds for child care will also likely be in the form of vouchers. There is a 2 million dollar allotment in both the House and Senate versions of next year's Massachusetts budget for an experimental day care voucher system. (The future of any Federal commitment is expected only in the area of increased tax credits.)

Given the current availability of child care in Subur-

bia, the current level of demand for care, and the government's new economic policies, the problems felt most keenly by Suburbia parents are how to find what care is available, how to select it, and how to pay for it.

4. An Assessment of Employees' Child Care-Related Needs

While the Bank was interested in serving its own interests with the provision of child care, it was understood that they could do so only if they identified and met the needs of their employees.

The Survey Instrument. It is difficult to assess child care needs to determine preferences and potential utilization of services. There have been a number of national surveys which provide guidelines; however, these studies have also shown that there are limitations to using a questionnaire for determination of parent needs. The primary reason for this is that such surveys are market testing a product which does not yet exist. While many of the on-site centers in existence today conducted needs assessments before opening, upon commencing operations most found that utilization was lower than what survey responses indicated. (Perry 1978)

Nevertheless, surveys can provide useful data on parents' current arrangements: use of relatives and/or community-based programs; anticipated changes; transportation

needs; and some productivity measures, such as the extent to which employees believe their absenteeism, tardiness, job changes, career advancement or stress on the job is due to family concerns.

In the case of The Bank, management was not sure if an immediate need for assistance existed or if The Bank was willing to meet it should it be identified. Furthermore, management was very interested in the issue of equity and wanted to poll nonparent employees about their views on benefits and whether they should be offered a benefit of equal value if child care were provided. Finally, The Bank felt that an open policy was more in keeping with their style of operation and that honesty from the outset would provide opportunities for a better understanding of the issues were they not to follow through with a child care solution.

A questionnaire was developed with assistance from personnel and the Vice President. Although time consuming to these managers, involvement exposed them to the complexity of the issues and ultimately resulted in a greater understanding and appreciation of the recommendations. The questionnaire incorporated questions designed to focus attention on the national trends and patterns of child care usage described in Part I. (See Appendix G for a discussion of the survey design and the instrument itself.)

The Survey Results. The results of the survey were unexpected: only 8 of The Bank's employees had children under age 15. Only two of these have preschoolers and both seemed content with current arrangements. (Their preferences and comments were incorporated into the final recommendations.)

A most interesting finding was that 13 employees planned to have children within the next two years. (Two employees obviously planned to be busy; though they have not yet met the prospective husband/father, these two completed the questionnaire regarding their expected child care needs!) This fact had implications in terms of both the purpose of the benefit and its selection: most of the 13 parent-planners were not tellers.

Initially, The Bank had assumed that child care's greatest potential was in reducing turnover among tellers (i.e., retention); however, it now appeared that child care might also help them avoid losing mid-management people in whom they'd invested considerable training money. (The consideration of needs for a range of employees is included in the analysis.)

The small number of parent responses points out the limitations of a questionnaire as a survey instrument. The crudeness of utilization measures notwithstanding, the questionnaire was not completed by those who were to use the

projected child care service. That is, the surveyed employees The Bank sought to retain by the provision of child care did not have children eligible to receive it. What these results showed was that child care could be useful to The Bank to recruit employees who do not now work for them.

E. Selecting Child Care Benefits and Policies

1. A Child Care Plan

The selection of a child care benefit from the range of options is based upon its ability to aid in recruitment and retention, to meet the pressing needs of working parents and to build upon the existing child care system.

Because no clear assessment of the child care needs of those who will be using the benefit was gained from the survey, the most useful determinant of a specific option to aid in recruitment and retention efforts is the ability of The Bank to fill gaps in the existing child care market.

Based on the review of community services and the characteristics of the teller job (salary, hours, etc.), the greatest child care need of Suburbia's parents is not for the creation of new services, but for making

present services more obtainable and affordable.

The range of existing child care services in Suburbia and the capability of several programs to expand rules out the need for The Bank to create new services. A one-site solution is inappropriate because it will not serve conveniently employees at all five branches. Furthermore, with a small number of employees, full utilization of a new program cannot be guaranteed. Finally, the parents who would be served are not now working for The Bank and their needs and preferences are therefore unknown.

However, the number of employees whose child care needs are to be met will increase over the next two years as efforts are made to recruit mothers and as a portion of current employees have the children they say they are planning. In light of the foregoing, the recommended benefit package is a phase-in plan which includes a few child care options.

To meet information and financial needs, a voucher mechanism supported by information and referral (I & R) services is proposed. Once The Bank workforce includes enough working parents with daily child care needs, the plan proposes The Bank consider either reserving spaces in local programs or helping one program add a few more slots. The specific components of the proposed child care plan are presented in Appendix H.

2. The Effect of a Child Care Plan on the Total Employee Benefit Package

Child care is only one of the benefits being considered today that reflect a changing workforce. Benefit packages were designed with the stereotypical male breadwinner in mind. However, changing lifestyles -- women in the labor force, rising divorce rates, part-time employees -- have created new workstyles. Employees expect employers to recognize and meet their individual needs.

Desired Changes in the Benefit Package. In this inflationary period, the cost of meeting employee needs is increasing. The fact that Bank benefits already account for 35 percent of base wages indicates a significant amount of coverage. But employees now look to their employers to meet a fuller range of social needs. Newest among them are dental benefits, educational tuition benefits and legal assistance. The latter two benefits will become more prominent as existing federal subsidies disappear.

These changes and resulting demands are no different at The Bank than anywhere else. According to the employee survey, almost all employees were familiar with the benefits offered. Of 74 responses, 54 percent were dissatisfied with the benefit plan (40 employees). Their suggestions for improvement included the following:

Table 9. Benefit Preferences of Bank Employees

Benefit	Requested by # of Employees
Dental	38
Education tuition	11
Health insurance increased	19
Vacation adjusted	7
Benefits for part-timers	3
Banking benefits available (NOW checking, lending, mortgage)	5
One hour lunch	3
Child care	3
Partial vesting in pension plan	2
Personal days	2
Other (Parking, bonuses, credit union, flexible work schedule)	11
TOTAL	104

The 104 suggestions for changes in the benefit plan were mentioned by 55 of the 74 people who answered the questionnaire.

Employees today are generally interested in benefits that provide tangible rewards they can use now instead of deferred rewards. This is one reason why The Bank employees find dissatisfaction with the medical plan. It provides excellent catastrophic coverage, but little assistance for more commonplace medical needs.

Beyond the desire for employers to share more of the costs for employees' social needs, two issues seem important for considering the child care benefit options: benefits for

part-time workers and equity for childless employees.

Part-time Benefits. According to a Conference Board survey of 180 companies, 80 percent offered part-time workers paid vacation leave. Nearly half offered sick leave as well as life and health insurance benefits.

As described earlier, the availability of part-time employment is very attractive to mothers. Recruitment efforts would be aided significantly if such employment were accompanied by pro-rated benefits. The predicted retention power of the convenient hours plus benefits unavailable elsewhere would likely offset the cost of providing such benefits.

Among four of The Bank's competitors, a limited number of part-time jobs is filled primarily by mothers and students. Three banks offer vacation, holiday and sick leave for part-time workers over 20 hours. One bank offers only vacation benefits. None provide medical, life or disability insurance. The estimated cost of the noncompulsory benefits for part-time workers at one bank is 20 percent of wages, compared to 33 percent for full-time workers. Compulsory benefits (worker's compensation, unemployment insurance) is 45 percent of wages for full-time employees and 28 - 30 percent of wages for part-timers.

It is understood that even pro-rated benefits for part-time employees may result in minimal increases in administra-

tive costs and higher rates from insurance companies. However, such groups as New Ways to Work, Work Options Unlimited, and the Association of Part-time Professionals have been looking at these issues and may be of help in assessing costs and tailoring part-time benefits both to its needs and to those of its employees.

It was strongly recommended that the child care benefit be offered to part-timers whether or not The Bank considers a pro-rated benefit package including other compulsory and/or noncompulsory benefits. With regard to child care financial assistance, a $1000 cap on a 50 percent subsidy for family incomes noted on the sliding scale is also recommended.

Equity for Childless Employees. Inequities are already built into current benefits. Single employees do not receive equal value in pension plans because of spouse-only benefits. Consider the use of gender-based mortality tables in pension plans which result in women receiving smaller annuities than men because of their longevity. And those with lower wages often receive benefits which amount to a higher percentage of their wage.

Most employers considering child care benefits are concerned about the issue of equity for those ineligible for child care benefits (by virtue of an income ceiling or their not having children in need of child care). The experiences

of companies currently providing child care benefits indicate that this has not been a problem and they do not provide benefits of equal value to ineligible employees.

One of the surest ways of avoiding discriminatory benefits is to adopt a system of flexible benefits where employees choose their own. Only a few companies have tried it and with mixed success. Benefit specialists are considering the cafeteria plan the wave of the future. It is women's labor force participation that is causing most of the needed change. The benefit package typically designed for the male breadwinner is no longer appropriate. When a wife up the block is offered the same expensive benefit package as her husband, both employer and employee lose on the value of the benefit package.

No company has yet incorporated child care into a cafeteria plan. It is mentioned here because it should be something to think about in the future, particularly if the child care benefit is successful in recruiting and there is greater utilization of the child care benefit. At the present, the largest stumbling block for The Bank in adopting flexible benefits is its size given the administrative costs and complexity of the data processing equipment required.

The Bank's willingness to ask employees their opinions on the subject offers a clear indication of likely resentment

if benefits of equal value were not provided. The responses to the survey question do not indicate that a high level of disapproval will ensue, i.e., the inequity will not affect significantly job satisfaction, performance, or retention rates of childless employees.

The survey states:

> Some people suggest that The Bank should provide child care assistance to employees. Others say that this will benefit some employees and not others. What do you think?

The vast majority of employees approved of a child care benefit. Of 77 respondents, 43 (56 percent) approved without stipulation; 22 (29 percent -- four of whom have children or plan to) approved, but felt that others should get a benefit of equal value; five (6 percent) employees disapproved; and another seven (9 percent) had no opinion.

A separate analysis reveals few trends among the 27 employees who disapproved or were sensitive to the equity issue. The average age of this group is 35.5, slightly older than the employee population as a whole. This group has been with The Bank an average of 6.2 years, slightly longer than the entire employee population. Thirty-seven percent of this employee subgroup has experienced advancement within the bank, as employees with longer tenure would be expected. This is compared to 14 percent of all employees. There is a higher percentage of women in the subgroup than among all respondents.

If one were to predict the employees for whom child care benefits would pose equity problems, one would obviously include those without children. The group would also be older and would have given more service to The Bank. The data confirm expectations. What motivates the disapproval or desires for equity is not only childlessness, but also service to The Bank. However, there is no indication that employees would leave The Bank if equal benefits were not provided, or that if equal benefits were provided, they would not leave. While there is some expected dissatisfaction, there is no data to reflect the level of it or its importance to employee tenure at The Bank.

In summary, equity would not be an issue for 65 percent of current employees. If the child care benefit were successful in recruiting more mothers, then the percentage of satisfied employees would increase. Those who disapprove or who want benefits of equal value are typically older and without children. Again, the child care benefit would attract a different kind of employee and the problem of equity would be reduced. It is more likely that provision of the benefit will have an overall positive effect because two-thirds might look more favorably on Bank management.

3. The Bottom-Line Return on a Child Care Plan

Table 10. Cost Effectiveness of a Child Care Benefit

A. Cost of Child Care Plan		
Information and Referral Services		
Directory	$1,000	
CCRC Referral	$2,000	
CCRC On-Site Referral	$3,000	
(The Directory along with On-Site Referral was recommended.)		
Financial Assistance		
For 25 employees/year	$33,165	
B. Cost of Turnover		
$3,563 per year per employee considering a 100% annualized turnover rate for 25 employees.	$89,075	
C. Cost Effectiveness		
At 60% retention rate: Recruit cost for 25 = $37,165 Turnover cost for 10 = 35,630	$72,795	Save $16,280
At 50% retention rate: Recruit cost for 25 = $37,165 Turnover cost for 13 = 46,319	$83,484	Save $ 5,591
At 40% retention rate: Recruit cost for 25 = $37,165 Turnover cost for 15 = 53,445	$90,610	Cost $ 1,535

Assuming The Bank decided to go the most expensive route, purchasing CCRC services for compiling a directory and providing on-site referral, information and referral costs would be $4,000. Added to the cost of financial assistance ($33,165), the cost of a child care benefit plan for recruiting and retaining 25 employees over a one year period would be $37,165. (See Appendix H, p. 184 for derivation of these estimates.)

If The Bank sustained its previous 100% turnover rate, then the cost of turnover for 25 employees would be $89,075. (See Appendix D, p. 151 for itemization of turnover costs.) However, if the child care benefit package helped retain 60% of the 25 new hires (15 people), then the potential savings to The Bank is $16,280. This estimate is based on the total cost of the child care package plus the cost of turnover for the 40% (or 10 people) who left. If the child care benefit package resulted in a 50% retention rate, the savings to The Bank would be $5,591. At a 40% retention, there would not be a savings to The Bank as a result of child care provision during the first year.

It must be noted that the second and third year of child care provision might result in greater savings as the retention rate increases and a more stable workforce develops. The actual savings, even during the first year, might be greater when considering the 46% effective tax rate for The Bank and that child care benefits are tax deductible, work-related expenses.

It can be concluded that there is a potential for a bottom-line return to The Bank as the result of adopting a variety of family supportive benefits. This conclusion is based, in part

on an assumption for which there is no empirical evidence, that child care is capable of retaining employees, but more for its capacity to recruit the kind of tellers, i.e. mothers, who are more likely to stay.

4. Summary: Applying the Criteria for Establishing the Feasibility of Working Parent Initiatives to Address Teller Turnover at The Bank of Suburbia

Table 11. Criteria for Whether to Proceed With Any Kind of Family Support Program

	CHECK YES	CHECK NO
I. Can Provision of Benefits Reduce Teller Turnover?		
A. Is the cause of turnover family-related, either directly as a retention aide or indirectly as it relates to recruitment?	☑	☐
B. Will the provision of benefits help solve the turnover problem?	☑	☐
II. Can Provision of Benefits Serve Employee Interests?		
A. Are there elements of work and family life that are incompatible?	☑	☐
B. Are parents' problems child care-related?	☑	☐
C. Will provision of benefits help parents apply for the job of teller and then stay on the job?	☑	☐

All questions answered in the affirmative would indicate that the potential exists for the feasibility of child care-related benefits as a way to reduce teller turnover.

The selection of the I & R service, voucher plan and part-time work opportunities will ultimately affect the realization of that potential.

EPILOGUE

The results of the feasibility study were presented to The Bank in June 1981. It was not until September that a response was received.

Part of the explanation for the delay in response included a serious illness that fell the Vice President and the resignation of the Personnel Director.

During a meeting arranged in October for additional feedback, The Bank's satisfaction with the report was expressed, as was their intentions not to proceed with any of the recommended initiatives. It appears that one of the primary causes of turnover, i.e. the hiring of the wrong people, had been solved by a seemingly unrelated event in the community: the impact of Proposition 2½ (Massachusetts' answer to California's Prop 13 to curb real estate taxes). The labor market was being affected by the flood of civil servants no longer on city or county payroll. Many of these jobs, e.g. city clerks, school crossing guards and parks and recreation agents, offer salaries commensurate with those of tellers. The people who occupy those jobs may have the appropriate set of expectations for teller work.

As a result of this change in the labor market, The Bank had the kinds of people it wanted applying for the job without provision of child care assistance or part-time work. It remains to be seen whether these individuals will stay.

Despite the personal interest in the provision of child care assistance from the Vice President and the incremental and low cost strategy for providing such support, that the "pain" could be taken away without any investment, so was the potential for change.

CONCLUSIONS

This paper analyzes the feasibility of employer-sponsored family supports as a means to meet management objectives. It does so by taking into account both theory and practice and then applying learned concepts to the design and execution of an actual feasibility study at a small, suburban Massachusetts bank.

A look at parent needs offers justification for why an employer should get involved in family assistance; the examination of management needs reveals why employers do get involved; and the case study explains why one employer did. The analysis concerns itself with these three interrelated areas: parent needs, management agendas and community resources. These areas are basic to understanding the feasibility of family supports as a management tool, for they serve as the 1) sources of pressure for employer sponsorship of such programs; 2) theoretical avenues to explore; and 3) components of the feasibility study itself.

The interrelationships among these components are critical to identification of the problem and creation of a solution. While the world of work is predicted as the focal point of the 1980's (Yankelovich 1981), the macro environment provides the context. The state of the economy creates the need for two-paycheck families; the social

structure allows for women breadwinners and househusbands; and Federal policy forces the issue of private sector support of community-based services. Economic, social and political forces affect the entire community in which company, family and service providers reside. Changing forces affecting one sphere, must in turn affect the others. An unmet need in one area becomes an obstacle for the others. Employee pain eventually results in employer pain because the boundaries are no longer distinct. And to the extent that either company, family or service sector is responsible for impeding needs, they are each also capable of fulfilling needs.

Thus, the feasibility study highlights the need for examining the reciprocal impact of societal forces on management agendas, parent needs and community resources. It is employer sponsorship that is being sought, so the inquiry begins by identifying corporate self-interest. Management will be the ultimate decision-makers and their needs and expectations must be satisfied. However, corporate self-interest can be satisfied only if parent needs are met and so the feasibility study next examines the needs and expectations of the employee population. Having determined that attention to parent objectives is capable of solving management objectives, the specific change in benefits, personnel policies and/or work conditions is considered in light of existing community resources.

The acknowledgement of the connection between family and work and the impact of its strengths and strains is prerequisite to the consideration of child care as a matter of policy. There must be employer acceptance of nonwork factors contributing to work performance. The firms willing to examine the family-work interface, and ultimately, the feasibility of family assistance are likely to be characterized by a demand for labor or some form of productivity-related self-interest. That self-interest will then establish the goals for a child care initiative, if adopted.

While corporate self-interest appears to be the primary source of motivation for most companies in their consideration of child care benefits, there are firms with a proclivity towards socially responsible behavior for whom bottom-line returns on a child care investment are unnecessary. Some of these companies may not be responding to an identified management problem, but rather to a community problem which they may or may not believe affects the internal operations of the company. Companies motivated by a sense of corporate social responsibility tend to have large corporate giving programs, but may be resistant to making internal changes in benefits, personnel policies or work schedules. Therefore, socially responsible behavior is not a prerequisite for corporate involvement in child care. It was also not included as a criterion for determining whether a company should initiate a family assistance program within the framework for analysis that appears on page 68.

To the extent that altruistic companies become involved in child care, their choice of response will differ greatly from the companies motivated by management-related self-interest, i.e.those motivated by social concerns will involve external affairs such as the funding of local child care programs, while self-interested companies will look to internal operations where human resource divisions will focus on benefits and personnel policies. There is some difficulty separating elements of self-interest and socially responsible behavior because the improved public image that results from corporate giving programs serves self-interest, while management-motivated initiatives may also benefit the community.

Whatever the cause for concern, the final determination of child care feasibility is unique to each employer and locality because the scope and structure of a chosen initiative will vary based on the blend of managment agendas, parent needs and community resources. The specific kind of child care assistance selected may be determined by parent need and community resources, but the elements that make provision of that child care assistance feasible have little to do with child rearing from the corporate point of view. Rather industry characteristics, corporate structure and culture, as well as idiosyncratic personal factors account for much of corporate decision-making regarding family concerns. The feasibility study at The Bank is a case in point.

The idiosyncratic elements of The Bank's situation and

subsequent pursuit of a solution were critical. That child care first entered the mind of The Bank Vice President was related to her "remote condition" of being a woman and her personal consideration in having children. She had connections to service providers in the community as well. Furthermore, The Bank is a female intensive, service-oriented, financial institution. While concerned about its public image, it was the impact on customer service that convinced The Bank President of the potential for a bottom-line return on the provision of family assistance.

Indeed, The Bank was feeling "pain" about the high turnover among tellers. That pressure created the possibility for change. Since The Bank was interested in providing child care in order to reduce turnover, its capacity for doing so had to be determined. The analysis revealed other causes of turnover, e.g. the hiring of the wrong people, which meant that another aspect of self-interest could be served with provision of family supports, i.e. recruitment.

The management agenda was determined, in part, by the parent needs of The Bank's workforce. Very few employees currently had child care needs. That reality also helped identify the goal of recruitment for a family assistance program. The fact that 13 employees expected to have children within the next two years created the need for an incremental approach to the formulation of a child care assistance plan.

With the goals and objectivies of a family assistance plan defined, a look at the Suburbia community further guided the selection of a child care option. The lack of current parent need and the decision to focus on recruitment as a management agenda indicated the absence of need for The Bank to create new services. The plethora of programs in the community confirmed the decision not to proceed with direct service provision.

The need to consider existing community-based programs is where the link is made between personnel policies and public policies. Government policy may provide incentives and remove obstacles for employer sponsorhsip. But it must also consider its own self-interest in serving those who rely on government subsidy. The need for public/private partnerships is critical to the survival of many effective government programs. There seems little economic justification for a company building its own day care center when the center up the block is closing its doors due to government cutbacks.

Another implication for public policy is that 50 percent of workers are employed by companies of under 100 employees. (Kamerman and Kahn 1981, p. 65) Employer-sponsored child care will not be feasible for the majority of working parents. Various legislated tax reductions do not pose as an attractive incentive to a small employer because the tax bill of a small company likewise tends to be small. Unless consortium arrangements are made where small companies join efforts with others,

they will not be able to absorb the cost of child care assistance for the full range of employees. Even a voucher program such as the one proposed to The Bank is limited by the salary range and numbers of employees. In the case of The Bank, management was unwilling to work with other employers in the neighborhood because it viewed the provision of a child care benefit as a competitive recruitment edge.

Of critical importance to public policy is that many parents, of course, do not work. It is in government's self-interest for low income people to be less dependent on government. But is there a potential corporate self-interest that can be served as a result of helping low income parents with their child care? To the extent that there are more members of society contributing meaningfully to the economy rather than receiving welfare, the private sector will benefit. If an economically healthy community helps business, then there is a long range pay off to companies investing in the child care component of economic and community development efforts. The long range payoff implies that employer-sponsored family assistance serves as a preventive measure. The attention to family concerns now will prevent the corporation from paying later the costs of higher taxes and a less productive workforce.

These issues trigger the potential for a range of unanticipated, unwanted consequences of employer sponsored family supports. They may echo many of the lessons learned from two

decades of program initiatives in the public sector. For instance, public policy has traditionally had difficulty with funding preventive programs. A response is made only when the problem is visible, and often once it has reached crisis proportions. There is a need to see immediate returns on the investment even though the costs of caring for the sick, for instance, far outweigh the costs of keeping people healthy.

We learned also in the public sector that many of our current problems are the result of our earlier problem solving. For the private sector, even with the best of intentions, it is possible that provision of child care as an employee benefit may thwart efforts to raise wages to more equitable levels, particularly for women. In response to a question about the problem companies have in finding secretaries, Ellen Goodman of the Boston Globe commented that if you provided them with $18,000 salaries, there would not be a problem finding secretaries. Similarly, while part-time work may be preferred and advocated, there is the reality that less attachment to the labor force means less income. It may also mean less security if pro-rated benefits do not accompany wages.

Another negative consequence may exist without careful thought about the impact of such measures, e.g. the $100/month subsidy offered by Measurex so their employees will return sooner from maternity leave. This raises some very fundamental questions about the way we encourage patterns of mother-child

bonding. A family allowance in Sweden and most other industrialized nations is designed to help mothers stay home with their child. In the U.S., we are saying they should go to work. Examined more closely, we find the inherent dilemma that the entire issue of working mothers raises: part of the resistance on the part of corporations to providing family supports is that it is believed women should stay home with their children. On the other hand, welfare women should go to work so that they are not a drain on the public system. It would seem wise to try and reconcile these contradictions before it becomes a matter of policy.

Perhaps the most serious of all potential consequences of employer supported child care initiatives is the inference about the quality of work performed by working parents. If the feasibility of child care is best justified in terms of its ability to improve productivity and solve management problems, then implicit in the justification is that without the employer's child care assistance, working parents are not as effective workers, i.e. should not be hired. In a tight labor market, such attitudes might not prevent the hiring of parents, but they might affect the way they are treated once on the job.

Despite the fact that it provides the most convincing case for its provision, to present child care as a panacea for all of management's problems can be dangerous. Child care in pub-

lic policy was justified in terms of its ability to eliminate poverty, help children succeed in school and prevent them from a later life of crime and delinquency. But as Susan Grey points out with regard to Head Start programs:

> An effective early intervention program for a preschool child, be it ever so good, cannot possibly be viewed as a form of innoculation whereby the child is immunized forever afterward to the effects of an inadequate home and a school inappropriate to his needs. [Ryan 1974]

Similarly, child care cannot be expected to innoculate an employee against boredom or lackluster performance in a job that is inherently boring and lackluster. Nor can it immunize an employee against the effects of poor working conditions and a management system inappropriate to his or her own needs.

Government policies have not been particularly family- or child-focused. Similar patterns are emerging around family-related personnel policies. Without a child focus, there is a chance of skimping on quality -- action with clear, negative long term consequences (Weikart 1980)

Without a concern for the quality of the child care programs into which employees' children are placed, there may be no easing of parental concern. The quality of the program is largely determined by the quality of the staff, and the staff of child care programs are notoriously underpaid and overworked. A study of the salaries, benefits and work conditions of employees in corporate America cannot ignore

employees in the child care programs themselves. Given that 80 percent of the costs of operating a center are staff, it is difficult to make a profit in child care without cutting back on salaries. If a company, well intentioned about meeting is employees' child care needs, recommends an inexpensive or totally profit-oriented program, a company may, in the process of serving its own employees, exploit the employees of the child care program.

These consequences cannot be overlooked during the initial phases of an employer presence in child care service delivery. That this is a relatively new field is why the need is so great for careful planning and analysis. The early pioneers will pave the way for those who follow. The rationalizations and foundations made today for employer involvement will have long lasting effect on later developments. As Amory Houghton, Chairman of the Board of Corning Glass said, "One percent of all companies want to be first and 99 percent want to be second." What motivates that one percent is very important to the 99 percent who follow.

For this reason, motivation has been one of the key foci of this paper. It affects both employers and employees. External and internal factors affect and motivate corporate sponsorship of child care as well as employees themselves. Yet, a paramount discovery of this study is that some of the classic organizational development literature is inadequate

for explaining motivation, satisfaction and turnover in today's post-industrial workplace. Most of the research in the field of employee motivation was conducted in the late 1950's and early 1960's, just prior to the massive influx of women into the labor force.

During the industrial era, the conflict between work and family was eased by women's full-time presence in the home and, understandably, family responsibility was thought to have little bearing on work performance. But now the work-force has changed, and women, who do not have wives at home for them, are struggling with two full-time jobs. Dad has not quite changed his participation in housework as much as Mom has changed her participation in officework. The relationship between home and work, so clear in the industrial era, is no longer so distinct. And in its changing form, it imposes itself upon the social consciousness. This change, more than any other social change, has brought the issue of employer sponsored child care to our attention. It is now before the doors of corporate board rooms not only because of internal pressures, but also because of external pressures to which management can no longer remain immune. The feasibility of employer sponsorship of family supports as a management tool depends on the receptivity of managment to these external and internal pressures. That receptivity depends on the simultaneous acceptance of both internal and external pressures affecting working parents.

With whatever crystal ball policy analysts are equipped, my prediction is that employer sponsorship of family support programs and policies will become more than a "miniature curiosity." Those who will proceed, Amory Houghton's one percent, will probably be among Third Wave industries experiencing a demand for labor. The high technology firms in that group will be most fascinating to watch because they may be inclined to change their managerial style along with their benefits and personnel policies.

These younger companies are run by individuals who tend to be more entrepreneurial and risk-taking. These companies are also run by younger managers whose views of family and work life are different from their stodgier counterparts in older, more conservative companies.

Peskin (1973) describes the baby boom generation as

> ...an involved and altruistic, disgruntled and protesting people who have cut their teeth on 'doing their own thing.'...Age may mellow them and make their tactics less theatrical, but their humanistic philosophy is not likely to be diluted. (P. viii)

The baby boom generation is now of "managerial age," and is also responsible for the current baby boomlet.

With more and more parents at work, particularly those in decision-making roles, parent needs will play a role in the recruitment and retention of a productive work force.

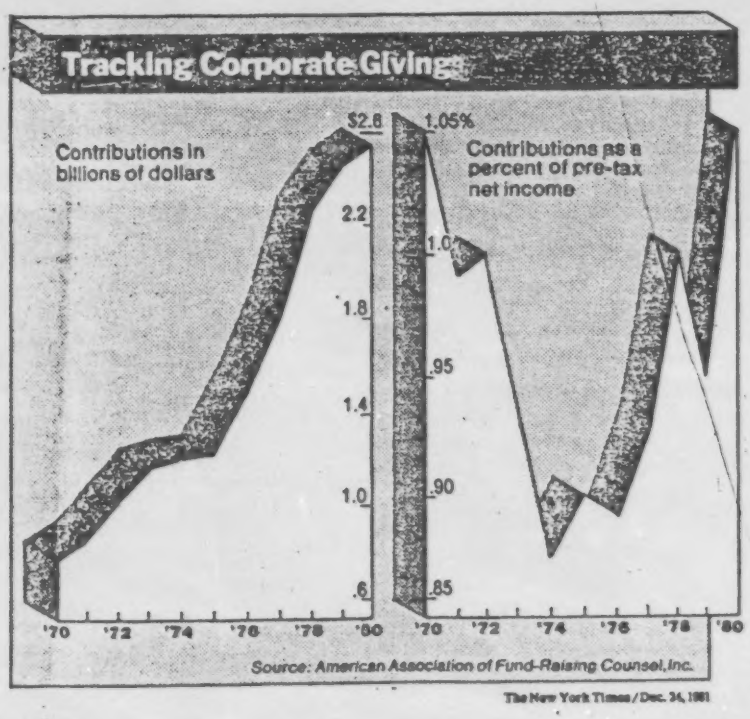
Working parent initiatives will be accompanied by quality circles and participative management strategies, eventually leading to a more people-oriented work environment.

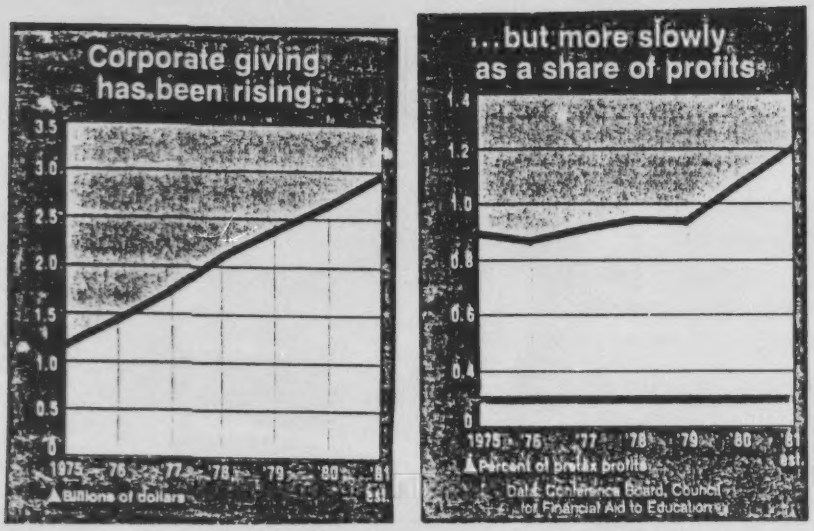
It is even possible that schools of buisness administration will not only teach management by objectives, but also management by parent objectives.

NOTES

From Page 41

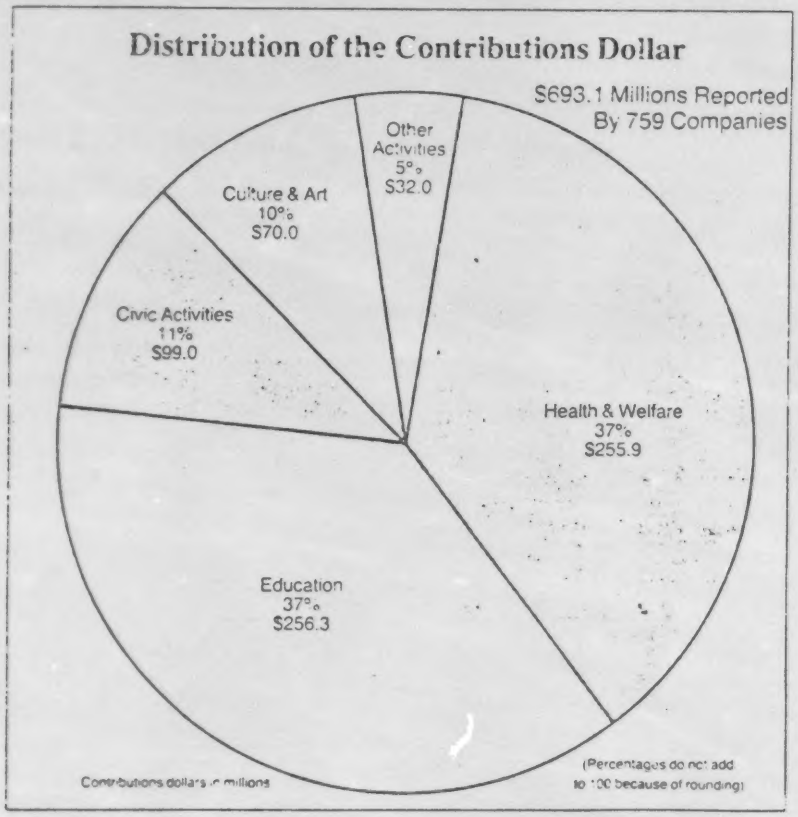
[1] It seems unlikely that corporate contributions, estimated as between $2.6 and $3 billion, is capable of supplanting $45 billion in government cuts over the next three years. However, reports indicate that corporate giving has been rising. The charts presented in The New York Times (12/25/81) and in Business Week (11/23/81) and appearing below, indicate the rise, but also note that the rate of rise as a share of profits, remains slow. Business Week also reports a growth in the number of 2 percent and 5 percent clubs modelled after those in the Twin Cities area and pioneered by Dayton Hudson.





54 F BUSINESS WEEK: November 23, 1981

The chart below explains where some of these corporate dollars go. The survey found that the nature of the surrounding community (suburb, city) influenced giving patterns, as did the nature of the company (pharmaceuticals would gravitate toward health and welfare, for instance).


Distribution of the Contributions Dollar
$693.1 Millions Reported By 759 Companies
Other Activities 5% $32.0
Culture & Art 10% $70.0
Civic Activities 11% $99.0
Health & Welfare 37% $255.9
Education 37% $256.3
Contributions dollars in millions
(Percentages do not add to 100 because of rounding)

The survey data presented above is based on the calendar year 1978. The source is The Conference Board's Annual Survey of Corporate Contributions, 1980 Edition.

NOTES (Continued)

From Page 86

[2]Discussion of expectancy incongruity among nurses can be found in Heather Howie, "Getting and Keeping Your Nurses," Health Care, June 1980, p.47 and Institute of Medicine, Final Report of a Committee to Plan a Two Year Study of Nursing and Nursing Education, National Academy of Sciences, September 1980, p. 6.

APPENDIX

APPENDIX A: ON-SITE DAY CARE CENTERS 1960 - PRESENT

1. History

In 1970, the Women's Bureau, Department of Labor identified 11 on-site day care centers and reported them in a publication, Day Care Services: Industry's Involvement, Bulletin 296, Superintendent of Documents, U.S. Government Printing Office, (Washington, D.C.) 1971. These centers are listed below:

Avco Economic Systems - Dorchester, MA
Bro-Dart Industries - Williamsport, PA
Control Data Corporation - Minneapolis, MN
Curlee Clothing - Mayfield, KY
KLH Research and Development Corp. - Cambridge, MA
Mr. Apparel, Inc. - High Point, NC
Skyland Textile Co. - Morgantown, NC
Tioga Sportwear - Fall River, MA
Tyson Foods, Inc. - Springdale, AK
Vanderbilt Shirt Factory - Asheville, NC
Winter Garden Freezing Co. - Bells, TN

A 1980 study by Welfare Research, Inc., On-Site Day Care: The State of the Art and Models Development, identified an additional 7 centers in operation between 1960 and 1974. These included:

Forney Engineering - Dallas, TX
Jefferson Mills - Williamstown, NC
Joshua Tree Manufacturing Co. - Gardena, CA

(continued)

Levi Strauss - Star City, KS
PCA International - Matthews, NC
Security National Bank - Walnut Creek, CA
Stride Rite Shoes - Boston, MA

A day care center for the children of harvesters and grove workers was supported in Florida by Coca Cola Co. and Whirlpool, along with 25 other companies provided funding for a community day care center in Benton Harbor, MI. WRI also reported that Chesapeake and Potomac Telephone Co. and Ohio Bell opened centers, while Western Electric Co. of Columbus, Ohio opened two demonstration centers in 1971 near the plant sites.

Only three of the 18 centers listed remain open today and operating as originally sponsored. (Stride Rite, PCA and Forney Engineering)

The findings from a 1970 study called Child Care Services Provided by Hospitals, Women's Bureau, Department of Labor indicated the existence of 98 hospital-based day care centers. Katherine Senn Perry identified only 75 hospital-based child care centers in her 1978 dissertation, Survey and Analysis of Employer-Sponsored Day Care in the U.S. (U. of Wisconsin - Milwaukee) A preliminary search by Creative Partnerships of Psadena, CA for a government-funded research project indicates about 200 hospital-based child care centers.

The union count of 6 on-site centers was offered by the Women's Bureau Day Care Services, Industry's Involvement,

(1970). All 6 centers were sponsored by the Amalgamated Clothing and Textile workers Union (one in Chicago, five in the Pennsylvania, Maryland, Virginia area.)

2. Center Closings

Center closings are often attributed to the inappropriateness of day care centers at the workplace. A closer look at the reasons for the closings made by Welfare Research Inc. indicates that a number of companies went out of business and the center with it. The chart below indicates the range of reasons. (p. 14)

•	Company went out of business or moved	36% (5)
•	Underutilization by employees (resulting in higher costs)	29% (4)
•	Too expensive	7% (1)
•	Recession	7% (1)
•	Information not available	21% (3)
	Total	100% (14)

Perry's research on the subject of center closings involving a matched sample of nine closed centers and nine currently open, indicated that the open centers were of better quality and received greater employer subsidization.

3. Existing On-Site or Near-Site Day Care Centers Supported by Private Corporations

This list is a compilation of other lists and numerous phone calls and visits to other cities. The list totals 22 and my best estimate is that there are about 25-28 including those of which I am unaware. There may be as many as 20 currently in the planning stages.

One of the more difficult aspects of compiling such a list is that their funding and sponsorship vary greatly. Some refer to the Allendale, Union Mutual Life and Connecticut General Life Insurance Companies as vendor/voucher programs because they contract with Living and Learning Centers* to provide their employee's child care. In that they are on-site or near-site, have corporate dollars or in-kind invested in them and are expressly for the employees of the company, they are included in this list. The company may also permit community residents to use the program, but it must also serve employees' children.

Not included in this list is Equitable Life Assurance which has arranged with KinderCare for a 20 percent discount to Equitable employees in three cities. Equitable is responsible for only 10 percent of the discount rate. In addition, John Hancock has made a $100,000 earmarked contribution to United Way in Boston to fund two day care centers located near their office headquarters.

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* Living and Learning Centers have been purchased by KinderCare.

Abt Associates - Cambridge, MA

Allendale Insurance - Johnston, RI

Broadcasters Child Development Center - Washington D.C. (5 radio and TV stations support the center)

Cardiac Pacemakers - Minneapolis, MN

Carlson Craft - Mankato, MN

Connecticut General Life Insurance - Bloomfield, CT

Corning Glass Works - Corning, NY

Emporer Clock Co. - Fairhope, AL

Forney Engineering - Addison, TX

Hoffman LaRoche - Clifton, NJ

Intermedics - Freeport, TX

Jet Propulsion Labs - La Canada, CA

Merck Pharmaceuticals - Rahway, NJ

Neuville-Sox/Performance Hosiery - NC

Official Airline Guide - Chicago, IL

Playboy Resort - Lake Geneva, WI

PhotoCorporation of America - Matthews, NC

Stride Rite - Boston, MA

Union Mutual Life Insurance - Portland, ME

Wang Laboratories - Lowell, MA

Welch Food - Westfield, NY

APPENDIX B: THE MEASUREMENT OF TURNOVER

The turnover rate is computed by dividing the on roll count into the termination figure and multiplying by 100.

$$\frac{\text{\# terminations}}{\text{on roll count}} \times 100 = \text{Turnover Rate}$$

An annualized rate can be computed by multiplying this rate by 12. Quarterly reports are useful to see if seasonal forces are at play (end of school year, summers, etc.)

Further insight can be gained by computing the overall replacement rate which compares turnover with the number of people hired. The monthly expansion rate is determined in the following way:

$$\frac{\text{\# of hires}}{\text{on roll count}} \times 100 = \text{Expansion Rate}$$

The replacement rate is equal to the turnover rate or the expansion rate, whichever is smaller. If the company is in a hiring mode, then the replacement rate should be positive (the expansion is larger than the turnover rate). These figures are useful in determining the locus of problems, i.e., either turnover is too high and/or hiring activity is insufficient. (Peskin 1973)

The Bank of Suburbia uses the formulas described above to calculate its turnover rates.

APPENDIX C: QUARTERLY REPORTS OF TURNOVER AT THE BANK

1st QUARTER
as of MARCH 31, 1981

TURNOVER RATE

DEPARTMENT	ON ROLL COUNT	# TERMINATIONS	# TRANSFERS	TURNOVER RATE	TURNOVER RATE SAME QUARTER LAST YEAR	ANNUALIZED
SAVINGS	50	4	0	8.00%	20.00%	[illegible]
LOAN	9	3	0	33.33%	10.00%	[illegible]
OPER. & BKKP.	24	1	0	4.16%	15.00%	[illegible]
ADMIN.	8	0	0	0	0	0
TOTAL BANK	91	8	0	11.11%	16.48%	[illegible]

EXPANSION RATE

DEPARTMENT	ON ROLL COUNT	# OF HIRES	# TRANSFERS	EXPANSION RATE	EXPANSION RATE SAME QUARTER LAST YEAR	ANNUALIZED
SAVINGS	50	14	0	28.00%	7.27%	[illegible]
LOAN	9	2	0	22.00%	10.00%	[illegible]
OPER. & BKKP.	24	3	0	13.00%	15.00%	52.0%
ADMIN.	8	0	0	0	0	0
TOTAL BANK	91	19	0	21.00%	8.79%	[illegible]

REPLACEMENT RATE

DEPARTMENT	EXPANSION RATE	TERMINATION RATE	REPLACEMENT RATE	REPLACEMENT RATE SAME QUARTER LAST YEAR	ANNUALIZED
SAVINGS	28.00%	8.00%	8.00%	7.27%	[illegible]
LOAN	22.00%	33.33%	22.00%	10.00%	[illegible]
OPER. & BKKP.	13.00%	4.16%	4.16%	15.00%	[illegible]
ADMIN.	0	0	0	0	0
TOTAL BANK	21.00%	11.11%	11.11%	8.79%	[illegible]

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4th Quarter

as of December 31, 1980

TURNOVER RATE

DEPARTMENT	ON ROLL COUNT	# TERMINATIONS	# TRANSFERS	TURNOVER RATE	TURNOVER RATE SAME QUARTER LAST YEAR	ANNUALIZED
SAVINGS	42	11	0	26.19%	19.61%	104.76%
LOAN	10	0	0	0	0	0
OPER. & BKKP.	20	3	0	15.00%	10.00%	60.00
ADMIN.	8	2	0	25.00%	0	100.00
TOTAL BANK	80	16	0	20.00%	14.12%	80.00

EXPANSION RATE

DEPARTMENT	ON ROLL COUNT	# OF HIRES	# TRANSFERS	EXPANSION RATE	EXPANSION RATE SAME QUARTER LAST YEAR	ANNUALIZED
SAVINGS	42	10	0	23.81%	27.45%	95.24%
LOAN	10	1	0	10.00%	11.11%	40.00
OPER. & BKKP.	20	4	0	20.00%	10.00%	80.00
ADMIN.	8	0	0	0	20.00%	0
TOTAL BANK	80	15	0	18.75%	21.18%	75.00

REPLACEMENT RATE

DEPARTMENT	EXPANSION RATE	TERMINATION RATE	REPLACEMENT RATE	REPLACEMENT RATE SAME QUARTER LAST YEAR	ANNUALIZED
SAVINGS	23.81%	26.19%	23.81%	19.61%	99.24
LOAN	10.00%	0	0	0	0
OPER. & BKKP.	20.00%	15.00%	15.00%	10.00%	60.00
ADMIN.	0	25.00%	0	0	-
TOTAL BANK	18.75%	20.00%	18.75%	14.12%	75.00

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3rd QUARTER

AS OF SEPTEMBER 30, 1980

TURNOVER RATE

DEPARTMENT	ON ROLL COUNT	# TERMINATIONS	# TRANSFERS	TURNOVER RATE	TURNOVER RATE SAME QUARTER LAST YEAR	ANN. RATE
SAVINGS	52	12	1	25.00%	32.69%	[illegible]
LOAN	9	4	0	44.44%	11.11%	[illegible]
OPER. & BKKP.	22	3	0	13.63%	25.00%	[illegible]
ADMIN.	7	1	0	14.28%	0.00%	[illegible]
TOTAL BANK	90	20	1	23.33%	26.74%	[illegible]

EXPANSION RATE

DEPARTMENT	ON ROLL COUNT	# OF HIRES	# TRANSFERS	EXPANSION RATE	EXPANSION RATE SAME QUARTER LAST YEAR	ANN. RATE
SAVINGS	52	14	0	26.92%	34.62%	[illegible]
LOAN	9	4	0	44.44%	22.22%	[illegible]
OPER. & BKKP.	22	2	0	9.09%	15.00%	[illegible]
ADMIN.	7	1	1	28.57%	20.00%	[illegible]
TOTAL BANK	90	21	1	24.44%	27.91%	[illegible]

REPLACEMENT RATE

DEPARTMENT	EXPANSION RATE	TERMINATION RATE	REPLACEMENT RATE	REPLACEMENT RATE SAME QUARTER LAST YEAR	ANN. RATE
SAVINGS	26.92%	25.00%	25.00%	32.69%	[illegible]
LOAN	44.44%	44.44%	44.44%	11.11%	[illegible]
OPER. & BKKP.	9.09%	13.63%	9.09%	15.00%	[illegible]
ADMIN.	28.57%	14.28%	14.28%	0.00%	[illegible]
TOTAL BANK	24.44%	23.23%	23.23%	26.74%	[illegible]

2nd QUARTER

AS OF JUNE 30, 1980

TURNOVER RATE

DEPARTMENT	ON ROLL COUNT	# TERMINATIONS	# TRANSFERS	TURNOVER RATE	TURNOVER RATE SAME QUARTER LAST YEAR	[illegible]
SAVINGS	48	15	1	33.33%	18%	[illegible]
LOAN	10	3	0	30.00%	25%	[illegible]
OPER. & BKKP.	20	2	0	10.00%	10%	40.00%
ADMIN.	6	1	0	16.67%	50%	66.67%
TOTAL BANK	84	21	1	26.19%	19%	104.76%

EXPANSION RATE

DEPARTMENT	ON ROLL COUNT	# OF HIRES	# TRANSFERS	EXPANSION RATE	EXPANSION RATE SAME QUARTER LAST YEAR	[illegible]
SAVINGS	48	19	0	39.58%	22%	159.32%
LOAN	10	2	0	20.00%	25%	80.00%
OPER. & BKKP.	20	4	0	20.00%	14%	80.00%
ADMIN.	6	1	1	33.33%	33%	133.32%
TOTAL BANK	84	26	1	32.14%	23%	128.56%

REPLACEMENT RATE

DEPARTMENT	EXPANSION RATE	TERMINATION RATE	REPLACEMENT RATE	REPLACEMENT RATE SAME QUARTER LAST YEAR	[illegible]
SAVINGS	39.58%	33.33%	33.33%	18%	[illegible]
LOAN	20.00%	30.00%	20.00%	25%	[illegible]
OPER & BKKP.	20.00%	10.00%	10.00%	10%	[illegible]
ADMIN.	33.33%	16.67%	16.67%	50%	[illegible]
TOTAL BANK	32.14%	26.19%	26.19%	19%	[illegible]

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APPENDIX D: ITEMIZATION OF TURNOVER COSTS

COST OF TURNOVER

		1979	1980	1980 Per Employee Cost (n = 45)
I.	**Tangible Cost Factors:**			
A.	**Employment Expenses**			
1.	Advertising for Recruitment	20,970	15,881	353
2.	Agency Fees[1]			
a)	Experienced Tellers	8,192	11,517	256
b)	Part-time fill ins	5,318	13,060	290
3.	Wages & Salaries of Personnel[2]	23,566	26,780	595
4.	5% of Branch Manager's time interviewing[3]	4,995	5,550	123
B.	**Breaking in Costs**			
1.	5% of Branch Manager's Time spent with On-The-Job Training[3]	4,995	5,550	123
2.	Overtime[4]	12,286	17,697	393
C.	**Start-up Costs**			
1.	Overs and Shorts[5]	3,950	5,570	124
2.	Administration onto Computer[6]	---	90	2
3.	Personnel Administrator's Time @ $7.50/New employee	---	338	7.50
D.	**Training Costs**			
1.	Training Materials	500	1,000	22
2.	Training			
a)	General	1,354	337	7
b)	American Instit. of Banking	4,087	3,689	82
c)	Tuition & Training	4,984	5,552	123
d)	Salaries & Trainees[7]	19,970	18,733	416
3.	Buddy Tellers			
a)	Training Time[8]	---	4,050	90
b)	Bonus[9]	---	1,125	25
E.	**Separation Costs**			
1.	Mass. Unemployment	19,486	19,512	434
2.	Federal Unemployment	3,967	4,310	96
II.	**Immeasurable Cost Factors:**			
A.	Slower Processing of Customers			
B.	Reduction of Customer Service and Number of Accounts			
C.	Morale Negatively Affected			
	TOTAL		160,341	3,563

Notes on Budget

[1]Agency Fees: Besides agency use for replacing experienced tellers and part-time clerks, there are other agency expenses which may not be related to turnover, e.g. increased work load, illness, etc. Therefore agency fees were not calculated on the basis of total agency fees which amounted to $34,480 in 1979 and $40,458 in 1980. These sums would increase the per employee cost by $353 over the number specified.

[2]Wages of Personnel: Personnel Director estimates that 2/3 of her time and all of her assistant's time is spent on interviewing, recruiting, training and processing new employees. This figure represents 2/3 of the Director's salary and all of the assistant's.

[3]Branch Manager's Time: It was estimated that 5 percent of the branch managers' time is spent interviewing new employees. The salary range for a branch manager is $15,000 - $22,000. The average salary is thus $18,500. The per manager cost for interviewing is $18,500 x 5% = $925. There are five branch managers and one branch coordinator, therefore the $5,500 total for 1980 equals $925 x 6. The 1979 figure was reduced 10 percent for inflation.

This same reasoning applies to the 5 percent of managers' time spent with on-the-job training.

[4]Overtime: The total overtime costs in 1980 were $50,563. Four of the branch managers estimate that the percentage of overtime attributable to turnover ranged between 30 - 50 percent, with three managers estimating exactly 30 percent. These estimates were averaged to arrive at a figure of 35 percent for the total overtime costs related to turnover. The remaining overtime costs include computer problems and the need to stay late, coverage due to illness, etc. Because the last quarter saw the lowest turnover rates of the past year, two managers were hesitant to assign a percentage. This 35 percent estimate is very rough.

[5]Overs and Shorts: This is a variable sum, particularly high in 1980 because of a one-time, $5000 missing amount. In addition, a new incentive plan has been initiated where accuracy will result in a $50 bonus. This may reduce the number of overs and shorts.

[6]Administration onto Computer: It costs $1.50 to place someone in the computer's data bank and $.50 to delete them. At $2.00/person and 45 people leaving and replaced, this cost equals $90 for the year.

[7]Trainee Salaries: The first three weeks of a teller's salary is charged to training.

[8]Buddy Teller Training Time: Buddy tellers spend two weeks training new tellers. At $175/week, two weeks of salary equal $350. However, buddy tellers only spend 25 percent of their time doing this training. Per teller cost of buddy teller training is thus $90.

[9]Bonus for Buddy Tellers: Each buddy teller receives $30 for the training of an inexperienced teller and $15 for training an experienced teller. Assuming that 2/3 of 45 new tellers are inexperience (30), and 1/3 are experienced (15), $30 x 30 inexperienced tellers = $900; $15 x 15 experienced tellers = $225; $900 + $225 = $1125. This figure was multiplied by 45. It is understood that this is an estimate because not all 45 people who left in 1980 were tellers.

APPENDIX E: DEMOGRAPHIC PROFILE OF SUBURBIA

Population:

Male = 24,749 (43.4%)
Female = 32,267 (56.6%)
Total = 57,016

Births: 439 Deaths: 551

Age Groups	Female Population	Births	ASFR**
17 + Under	3,872	2	.2
18 - 25	5,874	63	10.7
26 - 34	6,528	323	49.4
35 - 44	3,218	50	15.5
45 - 54	2,591	1	.4
55 - 64	2,836	0	--
65 + Over	7,348	0	--
	15,620***	439	76.2

** Age Specific Fertility Rate = Births/Female Pop. x 1000
*** Ages 18 - 44

Birth Rate: BR = 1000 x 439/57,016 = 7.7
(Takes into account the age distribution of the population.)

General Fertility Rate: GFR = 1000 x 439/15,620 = 28.1

Total Fertility Rate: TFR = 8 x 76.2 = 609.6
(Doesn't take into account the age of the population.)

Death Rate: DR = 1000 x 551/57,016 = 9.66

Rate of Natural Increase: RNI = 7.7 - 9.66 = -1.96

This data was provided by the U.S. Census, the Suburbia Town Clerk, the Planning Department of the Community Development Office, Community and Adult Education Department of the Suburbia Public Schools, Annual Report of Vital Statistics from the Public Health Department and the Annual Planning Report and Affirmative Action Report of the Employment Security Research Agency.

APPENDIX F: GOVERNMENT SUBSIDY AVAILABLE TO ELIGIBLE SUBURBIA PARENTS

The following are the financial assistance programs that may be available to employees.

Private Support - Many centers do their own fundraising to offer scholarships or private sliding-fee scales to moderate income families. Cooperatives provide parents with the opportunity to reduce the cost of child care by working in the center a certain number of hours per week or per month. Some centers have support from another "umbrella" agency which reduces tuition for everyone.

Title XX - These federal funds, administered by the Department of Social Services (DSS) provide the major day care subsidies in Massachusetts, and are allocated through a sliding fee scale formula which offers families with up to 115% of the National Median Income to have partially subsidized day care. As a family's income increases, the fee which the family pays for the day care services also increases, until a family assumes the full cost of care. The amount of subsidy, therefore, will vary according to where the family's income falls on the scale. All families, however, no matter what their income level, must share some of the cost of child care. This service is restricted by the number of Title XX contracts awarded by DSS to day care centers or family day

care systems.

Families do not have to be on welfare to qualify for this subsidy. However, they must meet the following two requirements:

1. The family's gross income must be equal to or less than the amounts below:

Family size	"Old" Eligibility (1975- 1979)	"New" Eligibility Under Sliding Fee Scale
2	$ 7,300	$14,640
3	8,800	18,085
4	9,900	21,530
5	10,900	24,975
6	11,900	28,420

2. In addition, the family must have one of the following service needs:

   a) parents working at least 30 hours per week
   b) parents in job training (including undergraduate work
   c) parent in the WIN program
   d) parents who are physically or mentally incapacitated
   e) a child with a professionally-diagnosed disability that is physical, emotional, or intellectual
   f) children who are receiving Protective Services

To obtain child care under the Title XX sliding fee scale, parents must select a child care program that has a DSS contract and apply directly. There is often a waiting list for these slots, so application should be made early. According to eligibility requirements, parents will fall under one of the two categories:

Type A recipients: families who were receiving subsidized day care services in June 1980 or before, or families who

fall into the previous (1975-1979) guidelines listed above.

Type B recipients: families who, under the sliding fee scale, are eligible for subsidy as long as their income does not exceed 115% of the Median National Income for their family size.

Other "Non-Contracted" Care Under Title XX - The Department of Social Services will also partially reimburse families eligible both by need and by the 1975-1979 income guidelines, for "non-contracted" child care services such as independent family day care and babysitting. The rate as of fall 1980 is still 55¢ an hour. Obviously all independent family day care providers or babysitters expect a supplement from the parent. (Minimum wage is $3.35/hour as of January 1981.)

Title IV-A ("Income Disregard") - If parents are receiving Aid to Families with Dependent Children (AFDC), and begin to work, then the combination of their wages and welfare payments must equal or exceed their current AFDC budget, in order to be eligible for Title IV-A. This is known as "thirty-and-a-third," or "income disregard." The first $30.00 earned each month and up to 1/3 of the remainder does not count against their welfare check. Families pay for day care services themselves and are reimbursed through an adjustment in their AFDC grant. This gives them the option to choose any day care

arrangement.

Chapter 766 - Massachusetts Chapter 766, the Comprehensive Special Education Law, provides special needs children, aged 3-21, with an opportunity to learn and to develop skills in the least restrictive environment. Preschoolers who are attending a privately-run day care program are entitled to participate in this program. If a child qualifies for 766, then it is the parent's right to request an evaluation of the child by the state. Even if a special needs child is attending a private preschool or day care center, parents should expect the state to assist in the care of the child's needs.

Head Start - Project Head Start is a community-based child development program that provides free comprehensive services and preschool programs for children of low-income families, aged three to five. Families receiving AFDC, SSI and General Assistance are automatically eligible; others are eligible because of income level:

Family Size	Income Level
1	$3,400
2	4,500
3	5,600
4	6,700
5	7,800
6	8,900
more than 6	add $1,100 for each additional person

A family whose child is enrolled in Head Start before the parent begins employment may continue in the service. In most instances, however, the bank employees would not qualify for this program.

Tax Credit - Parents with child care expenses are entitled to a tax credit of up to $400 for one child, not to exceed $800 for two children or more. As long as a parent is employed full or part-time and child care is necessary for employment, or is a full-time student (and the spouse works); and if the parent (together with the spouse if married) pay half of all living costs associated with their residence, they will be eligible. The IRS prints a publication #503 that contains clear examples and guidelines for the tax credit.

APPENDIX G: THE EMPLOYEE SURVEY

On the next few pages appear the survey instrument and cover letter, as well as a discussion of its distribution and changes I would recommend in further usage. There is also mention of alternative data collection mechanisms for companies reluctant to distribute surveys.

1. Distribution of the Survey

The questionnaire was distributed to all employees using a color coordinated format for distinguishing among nonparent employees, those planning to have children and those with children under 15.

A cover letter written on The Bank stationery was attached and signed by the President. Efforts were made to be very forthright about The Bank's ability to actually change policies or develop a program. It was also to make clear that participation was voluntary and that the anonymous questionnaires were to be reviewed by CCRC, never to be looked at by The Bank.

The questionnaire and cover letter were placed in an already stamped and labelled envelope which included the employee's name on the return address. This was done to acknowledge their response and not to identify respondents. This envelope was hand delivered by me to each employee, ex-

cept in three cases where supervisors or nearby colleagues agreed to hold them until the employee's return. Another 12 were sent to the employees' home addresses.

The personal touch proved valuable in four respects. First, I was identified as someone from CCRC and not a Bank employee. This provided reassurance about confidentiality. Secondly, there were a few opportunities to engage in discussion with employees about why the study was being conducted. It helped them understand more about what they were about to participate in. It also helped me to see the faces, go behind the teller line, watch interactions, see the four branches in mid-day and get a better sense of the organization. Finally, the personal delivery of questionnaires not only provided opportunities to engender trust, clarify the purpose and give me more intimate knowledge of The Bank, but I believe contributed to the 83 percent response rate.

After two weeks, when 23 responses were outstanding, I called each employee to remind them about completing the questionnaire. From this follow-up, 8 responses were returned, leaving only 15 of the 93 employees unrepresented in the questionnaire analysis.

The responses regarding equity of benefits are discussed in the body of the paper. The cover letter and survey instrument are presented next.

2. The Cover Letter and Survey Instrument

the modern old

THE BANK

changing with the times

April 22, 1981

Dear Employee:

The Bank is aware of the fact that many of you are parents (or might be someday) and must face dual responsibilities when trying to balance child care and the demands of a job.

The issue of child care is currently being investigated by The Bank. We recognize child care as just one of many employee needs, but one about which we do not have any data. At this time we are not sure that we can provide solutions, but the issue will be studied in depth.

Your help is needed to conduct this study. We would appreciate it if you would complete the enclosed questionnaire, whether you have children or not, and return it in the envelope provided. Because it is important to receive everyone's response to this questionnaire, your name has been placed on the envelope. The envelope will be used only to acknowledge your response. Your identity will not be recorded on the questionnaire. All individual responses will be kept strictly confidential by the consultants using the information. Questionnaire results will be analyzed by the Child Care Resource Center. If you have any questions about specific items on the questionnaire, you may call the Center at 547-9861.

Thank you for your cooperation and interest.

Sincerely,

The President
of The Bank

PART I - GENERAL INFORMATION ABOUT YOU AND YOUR WORK

All employees should complete the questions in Part I (on the GREEN pages).

1. Are you familiar with the fringe benefits offerred by the Bank?

☐ Yes
☐ No

2. Are you satisfied with the fringe benefits offerred by the Bank?

☐ Yes
☐ No

2b. What other benefits would you like to see the bank provide?

_____

_____

3. Some people suggest that the bank should provide child care assistance to employees. Others say that this will benefit some employees and not others. WHAT DO YOU THINK?

☐ No opinion.
☐ I would approve of the bank providing child care assistance to employees.
☐ I would approve, but because I would not use such services, I feel I should receive a benefit of equal value.
☐ I feel it is inappropriate for an employer to get involved in an employee's child care matters.
☐ Other: _____

4. What branch or department do you work in at the Bank?

_____

5. What is your job title? _____

6. How long have you been in this position at the Bank? _____

7. How long have you been with the Bank? _____

8a. How many years have you been working (including the time spent working at the Bank)? _____

8b. How steadily have you been working, that is, have there been interruptions in your work career over the course of time indicated above in question 8a? (An interruption would be more than two months away from your job or unemployed.)

☐ I have worked without interruption for the number of years indicated above.
☐ I have worked with some interruptions over the course of my years working.
☐ There have been many interruptions in my work career.

8c. If there have been interruptions, please explain the reasons for them. _____

_____

9. What are your hours of employment, including travel to and from your job? _____

10. How do you get to work each day? (If this varies from day to day, check all that apply.)

☐ Walk
☐ Bicycle
☐ Drive own car, alone
☐ Carpool others in my car
☐ Carpool in someone else's car
☐ Bus
☐ Subway
☐ Other: _____

11. What is the zip code for your home residence? _____

12. What was the last grade of school you completed?

☐ High school degree
☐ Two-year college degree
☐ Some college
☐ College degree
☐ Some graduate school
☐ Graduate degree (Masters, doctorate)
☐ Skill training (non-degree, vocational/ business training)

13. How old are you? _____

14. Are you male or female? _____

15. What is your marital status?

☐ Married
☐ Never married
☐ Divorced, separated, or widowed

16. Please list the ages of all members in your household, excluding yourself, but including all children, spouse, other relatives, friends, etc.

☐ I live alone Ages: ____ ____ ____ ____ ____ ____ ____ ____ ____

17. Do you have children under age 15?

☐ Yes ➡ GO TO THE WHITE PAGES OF THE SURVEY
☐ No ➡ 18. Are you planning to have children in the next two years?

☐ Yes ➡ GO TO THE YELLOW PAGES OF THE SURVEY
☐ No ➡ You have completed the survey. Please place it in the envelope and seal it. Place it in a mailbox.

THANK YOU FOR YOUR COOPERATION.

PART II - CHILD CARE ARRANGEMENTS FOR THOSE WHO PLAN TO HAVE CHILDREN WITHIN THE NEXT TWO YEARS

This section is to be completed ONLY by those who do not now have children, but who are planning to have children within the next two years. If you have children and plan to have more, you should be answering questions on the WHITE pages of the survey.

19. Do you plan to continue working once you have children?

- ☐ Yes, I will work full-time outside my home
- ☐ Yes, I will work part-time (20 hours per week or less) outside my home
- ☐ Yes, I will work at home
- ☐ No, I will not continue working ➡ GO TO QUESTION 27.

20. If there is a spouse present (someone to whom you are legally married), will he or she be employed after the child arrives?

- ☐ Yes, he or she will work full-time outside the home
- ☐ Yes, he or she will work part-time (20 hours per week or less) outside the home
- ☐ Yes, he or she will work at home
- ☐ No, he or she will not be employed
- ☐ Not applicable

21. Please check the main method of child care that you would choose when you are unable to care for your child(ren). Main method means the care that you would use for the most number of hours each day.

TYPE OF CHILD CARE	CHILD AGE 0 to 1 YEAR	CHILD AGE 1 to 2 YEARS
A. Care by child's other parent	☐	☐
B. Care by other adult living in your home	☐	☐
C. Care by a relative at your home	☐	☐
D. Housekeeper, babysitter at your home	☐	☐
E. Care at a relative's home	☐	☐
F. Care at a good friend's home	☐	☐
G. Family day care home (care for fewer than 6 children in someone else's home)	☐	☐
H. Group home (care for 6 - 12 children in someone else's home)	☐	☐
I. Part-day Head Start, nursery school, day care	☐	☐
J. Full day, day care center	☐	☐
K. Other _____	☐	☐

22. Please list any other types of child care that you might need to use to supplement your main method of care, during the hours when you are unable to care for your child(ren). Use the letter codes from the list provided in Question 21 above.

CHILD AGE 0 to 1 YEAR: _____

CHILD AGE 1 to 2 YEARS: _____

23. How do you think you will go about finding your child care arrangements?

- ☐ Word of mouth
- ☐ Church
- ☐ School
- ☐ Newspaper
- ☐ Yellow pages of phone book
- ☐ Community-based referral agency, such as the Child Care Resource Center
- ☐ Government agency, such as the Office for Children
- ☐ Other: _____

24. Where will you prefer your child care arrangements to be located?

- ☐ Near where I live
- ☐ Near where I work
- ☐ Near some relative of child
- ☐ Other location: WHERE and WHY? _____
- ☐ Don't know

25. What is most important and least important to you in selecting a child care arrangement from among those that are convenient and within your means?

25a. Please write the letter for 5 factors listed below which are the most important to you.

Most important factors: ____ ____ ____ ____ ____

25b. Please write the letter for 5 factors listed below which are the least important to you.

Least important factors: ____ ____ ____ ____ ____

FACTORS TO CONSIDER

A. Reliable
B. Licensed or registered by the state
C. Serves nutritious meals
D. Safe and clean place
E. Will care for sick child
F. Firm discipline
G. Well equipped with toys and materials
H. Involves parents in decisions
I. Communicates with parents about details of the child's day
J. Well trained, experienced caregivers
K. Small groups of children
L. Individual attention for each child
M. Helps children get along with others
N. Respects children's language and culture
O. Provides health and social services
P. Provides educational program
Q. Makes sure child gets out into community
R. Caregiver is someone I like
S. Child can be with older or younger siblings

26. What other things would you think about in making a choice? _____

_____

27. Please check your income bracket for your total family income per year, including all the earnings of the adult members of the household and other sources of income. (Use gross income before taxes.)

- ☐ Under $6,000
- ☐ $6,000 - $9,999
- ☐ $10,000 - $14,999
- ☐ $15,000 - $19,999
- ☐ $20,000 - $24,999
- ☐ $25,000 - $29,999
- ☐ $30,000 - $34,999
- ☐ $35,000 - $39,999
- ☐ $40,000 - $44,999
- ☐ $45,000 - $49,999
- ☐ $50,000 - $74,999
- ☐ $75,000 - $100,000
- ☐ Over $100,000

28. What is your income, per year? $ _____

PLEASE PROCEED TO THE LAST QUESTION ON THE SURVEY (On the BLUE page.)

PART III - CHILD CARE ARRANGEMENTS FOR THOSE WITH CHILDREN

This section should be completed by those who currently have children under 15 years of age. You may or may not be expecting children in the future.

29. If there is a mother present in the household, is she employed?

- ☐ Full-time outside the home
- ☐ Part-time (20 hours per week or less) outside the home
- ☐ Works at home
- ☐ No, not employed

30. If there is a father present in the household, is he employed?

- ☐ Full-time outside the home
- ☐ Part-time outside the home
- ☐ Works at home
- ☐ No, not employed

31a. Do you have children under 15 years of age who do not live with you? (Please include spouse's children.)

- ☐ Yes
- ☐ No → PROCEED TO QUESTION 32

31b. Do these children occasionally stay with you?

- ☐ Yes
- ☐ No → PROCEED TO QUESTION 32

31c. Is this a regular arrangement throughout the year?

- ☐ Yes
- ☐ No

32. Do any of your children have special handicapping conditions requiring attendance at a special school or program?

- ☐ Yes - Age(s): _____
- ☐ No

33. This question seeks information about your main, supplemented and preferred child care arrangements, during the time you are at work.

a) Your main method of child care is one you use for the greatest number of hours per day for each of your children. Please circle only one (M) per child in the list below.

b) Please indicate the types of child care you use to supplement your main method of care for each child. Do not include the child care you use for reasons other than your regular hours of employment and travel to and from the job. If you use several methods, please circle (S) for all that apply for each child.

c) The preferred type of child care is where you would place your child(ren) if all arrangements were available to you and cost was not a problem. Please circle only one (P) for the preferred main method of child care you want for each child.

TYPE OF CHILD CARE	OLDEST CHILD Age: ___	CHILD 2 Age: ___	CHILD 3 Age: ___	CHILD 4 Age: ___	CHILD 5 Age: ___
Public or private grade school	M S P	M S P	M S P	M S P	M S P
Special school	M S P	M S P	M S P	M S P	M S P
Public or private kindergarten	M S P	M S P	M S P	M S P	M S P
Full day, day care center	M S P	M S P	M S P	M S P	M S P
Part-day Head Start, nursery school or day care center	M S P	M S P	M S P	M S P	M S P
After-school program	M S P	M S P	M S P	M S P	M S P
Group home (care for 6 - 12 children in someone else's home)	M S P	M S P	M S P	M S P	M S P
Family day care home (care for fewer than 6 children in someone else's home)	M S P	M S P	M S P	M S P	M S P
Care at a relative's house	M S P	M S P	M S P	M S P	M S P
Housekeeper, babysitter at my home	M S P	M S P	M S P	M S P	M S P
Care by a relative at my home	M S P	M S P	M S P	M S P	M S P
Care by other adult living in my home	M S P	M S P	M S P	M S P	M S P
Care by an older sibling	M S P	M S P	M S P	M S P	M S P
Child cares for self	M S P	M S P	M S P	M S P	M S P

34. How many times have you changed your main method(s) of child care during the last year? Please indicate the age(s) of the child(ren) for whom change was necessary.

____times

Why? _____

_____

35. Which of the following methods did you use in finding your main method(s) of child care? (Check all that apply, for all of your children.)

- ☐ Word of mouth
- ☐ Church
- ☐ School
- ☐ Newspaper
- ☐ Yellow pages of the phone book
- ☐ Community-based referral agency, such as the Child Care Resource Center
- ☐ Government agency, such as the Office for Children
- ☐ Other: _____

36. What was the most difficult problem you had in arranging for your main method(s) of child care? Please specify the age of the child whose care you are describing.

Age: ____

- ☐ Did not know where to begin looking
- ☐ Most care was too expensive
- ☐ Friends or relatives were unavailable
- ☐ Most programs were already filled
- ☐ I had trouble finding choices to suit my child's needs
- ☐ I had trouble finding choices to suit my employment needs
- ☐ Other: _____

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Feel free to explain: _____

_____

37. How long did it take you to find your main method(s) of child care? Please specify the age of the child whose care you are describing and include all of your children.

- ☐ Less than one week Age(s):
- ☐ 1 - 2 weeks Age(s):
- ☐ 2 - 4 weeks Age(s):
- ☐ 4 - 6 weeks Age(s):
- ☐ 6 - 8 weeks Age(s):
- ☐ More than 8 weeks Age(s):

38. What factors are most important and least important to you in selecting a child care arrangement from among those that are convenient and within your means?

38a. Please write the letter for 5 factors listed below which are the most important to you.

Most important factors: ____ ____ ____ ____ ____

38b. Please write the letter for 5 factors listed below which are least important to you.

Least important factors: ____ ____ ____ ____ ____

FACTORS TO CONSIDER

A. Reliable
B. Licensed or registered by the state
C. Serves nutritious meals
D. Safe and clean place
E. Will care for sick child
F. Firm discipline
G. Prepares children for school
H. Well equipped with toys and materials
I. Involves parents in decisions
J. Communicates with parents about details of child's day
K. Well trained, experienced caregivers
L. Small groups of children
M. Individual attention for each child
N. Helps children get along with others
O. Respects children's language and culture
P. Provides health and social services
Q. Makes sure child gets out into the community
R. Caregiver is someone I like
S. Child can be with older and younger siblings

39. What other things would you think about in making a choice? _____

_____

40. Where do you prefer your child care arrangements to be located?

- ☐ Near where I live
- ☐ Near where I work
- ☐ Near older child's school
- ☐ Near some relative of child
- ☐ Other location: WHERE and WHY? _____

_____

41. Thinking about your present child care arrangements for the care of all your children, how do your children get to the place where they are cared for while you work? Please write the age(s) of your children using that method of transportation, e.g., Taxi ☑ Age(s): 3, 6

Child can walk, accompanied	☐	Age(s):
Child can walk, alone	☐	Age(s):
School bus	☐	Age(s):
Child care program provides transportation	☐	Age(s):
Child takes public bus or subway, alone	☐	Age(s):
Child takes public bus or subway accompanied by older person	☐	Age(s):
Family member drives child in private care	☐	Age(s):
Carpool	☐	Age(s):
Taxi	☐	Age(s):

Other: _____

_____

42. How much time do you spend each day transporting your children to and from their child care arrangements?

- ☐ No time
- ☐ Less than 15 minutes
- ☐ 15 minutes - ½ hour
- ☐ ½ hour - 1 hour
- ☐ Over 1 hour
- ☐ Don't know

43. What days of the week do you need child care assistance? Please indicate the age(s) of the children needing care on the specified days.

☐	Monday	Age(s):
☐	Tuesday	Age(s):
☐	Wednesday	Age(s):
☐	Thursday	Age(s):
☐	Friday	Age(s):
☐	Saturday	Age(s):
☐	Sunday	Age(s):

44a. Do you have job-related unusual hours when you need child care? Please indicate the age(s) of your children needing care during these hours.

☐	No, I do not work unusual hours	
☐	Night hours, because I regularly work then	Age(s):
☐	Night hours, for evening meetings	Age(s):
☐	Overnight hours, for job-related out of town travel	Age(s):
☐	Unusual, and unpredicatble work hours	Age(s):

44b. Please describe other unusual hours when your job requires you to make child care arrangements.

_____

_____

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45. Thinking about your present arrangements, do you think they are going to be satisfactory to you to meet the needs of your family seven months from now, or will you be searching for new arrangements for some of your children?

☐ Satisfactory arrangements for the future

☐ Will be searching for new arrangements

46. Which children do you think will need new arrangements in the future? Please give the ages of each child needing a new arrangement.

_____

47. Thinking about each of these children for whom you will be searching for a more satisfactory child care arrangement, why will the present arrangement not be satisfactory for the future? (Check all that apply.)

REASON FOR NEW ARRANGEMENT	
I will need care at different hours than this arrangement offers.	☐ Age(s):
I will not be able to afford the cost of this arrangement.	☐ Age(s):
This location will no longer be convenient or accessible to me because of time or cost or transportation.	☐ Age(s):
This care will no longer be an available arrangement.	☐ Age(s):
My child will no longer be eligible to continue in this arrangement because of age.	☐ Age(s):
My child will no longer be eligible because my income will be too high.	☐ Age(s):
My child's needs are changing and another type of care will be more appropriate.	☐ Age(s):
I am not satisfied with the quality.	☐ Age(s):
My child doesn't like it.	☐ Age(s):

OTHER REASON: _____

_____

48. When changing from your present arrangements, what types of child care will you be searching for in the future? Please indicate for all of your children whose care you plan to change.

TYPE OF CHILD CARE	
Public or private grade school	☐ Age(s):
Special school	☐ Age(s):
Public or private kindergarten	☐ Age(s):
Full day, day care center	☐ Age(s):
Part-day Head Start, nursery school or day care center	☐ Age(s):
After-school program	☐ Age(s):
Group home (care for 6 - 12 children in someone else's home)	☐ Age(s):
Family day care home (care for fewer than 6 children in someone else's home)	☐ Age(s):
Care at a relative's house	☐ Age(s):
Housekeeper, babysitter at my home	☐ Age(s):
Care by a relative at my home	☐ Age(s):
Care by other adult living in my home	☐ Age(s):
Care by an older sibling	☐ Age(s):
Child cares for self	☐ Age(s):

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49. Thinking about the types of care that you will be searching for, and forgetting about the cost (for a moment), do you know whether this type of arrangement is available to you in the community where you live or where you work?

- ☐ I know this type of care exists, and I probably can get my child into it. Age(s):
- ☐ I know it exists, but I think it may be hard to get my child in. Age(s):
- ☐ I know it exists, and I know there is room for my child. Age(s):
- ☐ I think it exists, but I will be able to find it on my own. Age(s):
- ☐ I think it exists, but I really need help in finding it. Age(s):
- ☐ I don't know whether it exists or not. Age(s):
- ☐ I know this type of care does not exist. Age(s):

Please comment: _____

_____

_____

50. Please check your income bracket for your total family income per year including all the earnings of the adult members of the household and other sources of income. (Use gross income before tax figures.)

- ☐ Under $6,000
- ☐ $6,000 - $9,999
- ☐ $10,000 - $14,999
- ☐ $15,000 - $19,999
- ☐ $20,000 - $24,999
- ☐ $25,000 - $29,999
- ☐ $30,000 - $34,999
- ☐ $35,000 - $39,999
- ☐ $40,000 - $44,999
- ☐ $45,000 - $49,999
- ☐ $50,000 - $74,999
- ☐ $75,000 - $100,000
- ☐ Over $100,000

51. What is your income, per year? $_____

52. Approximately how much money do you pay every week for the care of all your children? Include all fees for enrollment, special fees, and reimbursements that you make in cash to people who care for your children, but do not include extra payments, such as lunches you send, or diapers.

- ☐ My child care is free
- ☐ $5 or less per week
- ☐ $6 - $15
- ☐ $16 - $25
- ☐ $26 - $35
- ☐ $36 - $45
- ☐ $46 - $55
- ☐ $56 - $65
- ☐ $66 - $75
- ☐ $76 - $85
- ☐ $86 - $95
- ☐ $96 - $105
- ☐ $106 - $115
- ☐ $116 - $125
- ☐ $126 - $150
- ☐ $151 - $175
- ☐ $176 - $200
- ☐ Over $200 per week

53. Is the type of child care you now use limited by your financial considerations?

- ☐ Yes
- ☐ No

54. Did you claim the child care tax credit on your personal income tax form for 1980? (Refer to line 40 of the U.S. Tax Form 1040 which you most recently completed.)

- ☐ Yes
- ☐ No
- ☐ Don't know

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These next questions pertain to your combining of work and child care responsibilities.

55. How many times during the past year were you absent from work because of child care problems?

_____ times

56. What were the reasons for your absences? (Check all that apply.)

- [ ] Child was ill
- [ ] Child care provider was ill
- [ ] Child care provider was on vacation and no backup provider was available
- [ ] Child care provider was not available when you arrived
- [ ] Child care provider gave inadequate notice of discontinuance of service
- [ ] Other: _____

57. How many times during the past year were you late to work because of child care problems?

_____ times

58. What were the reasons for your being late? (Check all that apply.)

- [ ] Child was ill
- [ ] Child care provider was ill
- [ ] Child care provider was on vacation and no backup provider was available
- [ ] Child care provider was not available when you arrived
- [ ] Child care provider gave inadequate notice of discontinuance of service
- [ ] Other: _____

59. Have you ever made mistakes at work because you were worried about your children?

- [ ] Yes
- [ ] No

60. Have you ever accomplished less work than you are capable because you were worried about your children while you were at work?

- [ ] Yes
- [ ] No

61a. Have you ever turned down a job advancement because child care wasn't available to help you handle the increased responsibilities?

- [ ] Yes
- [ ] No

61b. If yes, is your advancement limitation due to: (Check all that apply.)

- [ ] Inability to work overtime
- [ ] Inability to participate in after-hours training
- [ ] Inflexibility of child care provider's hours making my hours inflexible
- [ ] Inflexibility of my work hours making child care arrangements unsatisfactory.
- [ ] Other: _____

62. Would you ever consider working part-time in order to more easily balance your family and work responsibilities?

- [ ] Yes
- [ ] No → Why not? _____

_____

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63. How much time do you have between the start of your morning child care arrangement and when you must be at work?

- ☐ Not applicable
- ☐ 0 - 15 minutes
- ☐ 16 - 30 minutes
- ☐ 31 - 45 minutes
- ☐ 46 - 60 minutes
- ☐ Over 60 minutes

64. How much time do you have between the end of your normal work day and the closing of your afternoon child care arrangement?

- ☐ Not applicable
- ☐ 0 - 15 minutes
- ☐ 16 - 30 minutes
- ☐ 31 - 45 minutes
- ☐ 46 - 60 minutes
- ☐ Over 60 minutes

65. What do you do if you must be at work and the child care provider is not open or you have to work late and you cannot make it to the child care program before closing?

_____

_____

66. Were you ever faced with finding new child care provisions for the following day?

- ☐ Yes
- ☐ No

67. How supportive is your supervisor when you are dealing with the following child care-related issues? Please mark the appropriate place on the scale.

	Very Supportive	Somewhat Supportive	Not at all Supportive
Time away from work for my child's medical appointments	[	+	]
Time away from work for my child's school function	[	+	]
Time away from work due to child care provider problems	[	+	]
Time away from work when my child is ill	[	+	]
Inability to work overtime due to lack of child care	[	+	]
The need to occasionally change my work hours to accommodate hours of the child care provider	[	+	]
Other:_____	[	+	]

PLEASE PROCEED TO THE FINAL QUESTION ON THE BLUE PAGE.

PART IV - THE BANK RESPONSE

68. If the Bank were to help you meet your need for child care, which kind of assistance would you most prefer? Please check only 5 that would be most helpful.

- ☐ A day care center at the Bank
- ☐ A day care center established close to the Bank
- ☐ A family day care home established to take care of my child in my neighborhood
- ☐ A family day care home for my child near the Bank
- ☐ A program established by the Bank for use by Bank employee's children as well as community residents
- ☐ The Bank reserves and pays for spaces in a few child care programs near the Bank
- ☐ The Bank reserves and pays for spaces in a few child care programs near my home
- ☐ A voucher from the Bank that could be used to pay for my child care wherever I decided
- ☐ A person in the Bank who is knowledgeable about where I might obtain child care and which type would be most appropriate for my child
- ☐ The Bank supports and connects me to a local information and referral agency in the community to help me with my child care needs
- ☐ A series of "working parent" seminars are offerred that I could attend during my lunch hour or other specified time of the day
- ☐ Someone is paid by the Bank to take care of my child when he or she is sick in my home
- ☐ Someone is paid by the Bank to take care of my sick child, but not in my home
- ☐ A special number of days leave is permitted to take care of family matters or a child's illness.
- ☐ Charitable contributions are made to local child care programs to improve their services
- ☐ Low interest loans are offerred to community-based child care programs to help increase the supply of child care or to improve the quality of existing services.

If you have anything to add about your work and family responsibilities, please feel free to comment here.

YOU HAVE NOW COMPLETED THE SURVEY. PLEASE PLACE IT BACK IN THE ENVELOPE AND SEAL. POSTAGE HAS ALREADY BEEN PLACED ON THE ENVELOPE, SO IT IS READY FOR YOU TO PUT IN A MAIL BOX. PLEASE MAIL AS SOON AS YOU HAVE COMPLETED THE SURVEY.

RESULTS ARE BEING TABULATED BY THE CHILD CARE RESOURCE CENTER
187 HAMPSHIRE STREET
CAMBRIDGE, MA 02139

PLEASE CALL IF YOU HAVE QUESTIONS: 547 - 9861

THANK YOU FOR YOUR TIME AND COOPERATION.

3. Survey Design

The questions answered by all employees provided a demographic overview of the employee population and a sense of employee reaction to The Bank's potential involvement in child care.

Those with children were then questioned about their ability to rely on other family members for their child care (questions 16, 29, 30, 33 and 36). The questionnaire also investigated the range of current arrangements allowing space for more than one child and more than one child care arrangement (questions 33, 41, 42).

An important distinction was made regarding main, supplemented and preferred child care arrangements, since parents do tend to combine a few forms of care during the day. What parents use, however, might not reflect their actual preference, which is affected by the availability, accessibility and affordability of various care arrangements. Preference is obviously a difficult measure because parents "do not always include within their range of options those types of care that cannot be found near them or that are priced beyond their reach." (Morgan 1981)

To get an indication of whether parents might be willing to change their current arrangements should The Bank offer services, questions were asked about the stability and

convenience of current arrangements as well as anticipated changes in child care needs (children get older, for instance), (questions 34, 45, 63-66). I avoided direct questioning regarding satisfaction because they have been shown to be misleading. "Satisfaction is extremely difficult to measure with a survey instrument...We know that in lengthy discussion parents who express initial satisfaction often reveal deep concerns." (Morgan 1980, p. 23) Parents may also be reluctant to admit that they leave their children in care with which they are not satisfied. Gwen Morgan's recommendation, which was used in the instrument design for The Bank, was to ask "market basket," "what if" questions to ascertain the trade-offs they consider as they go about finding and selecting child care.

The elements of convenience were also examined, since they are crucial to child care decision-making. They include location, hours needed, special needs, fees and curriculum preference.

I was especially careful in designing a survey instrument that would allow for exploration of the full range of child care options. This includes the service needs as well as the need for information (questions 35, 36, 37 49), financial assistance (questions 36, 50-54), and the need for time. Indications of the need for time were given by responses to questions regarding actual work start times and program hours.

It was also reflected in answers to a series of questions regarding family-work conflict (questions 55,56). These included the number of times absent or late for work because of family responsibilities.

Other measures of possible conflicts between family and work were sought through questions about mistakes made or less work accomplished due to family concerns and whether job advancement was refused because of family considerations. I also tried to determine the degree to which employees perceive Bank management as tolerant and supportive of occasional family emergencies or even ordinary family responsibilities (questions 55-61, 67).

Finally, one question was asked listing the range of possible options for the Bank to pursue. They were asked to select five preferences for Bank activities supporting parents' needs.

These questions, with appropriate omissions were asked of those planning to have children within the next two years. This limited foresight of knowledge would help longer range planning for the benefit options.

4. Recommended Changes in Survey Design

After seeing the questionnaire completed, I would recommend some changes. Generally, the questions were appropriately answered. In those few cases where misunder-

standings occurred, it was clear that directions had not been properly read. Some of the detail was onerous. There were slight distinctions among sets of questions and the variety yielded little new information and was actually more difficult to analyze.

The question about the most and least important factors to consider in selecting a child care arrangement was useless. Previous research forced choices among noncomparable items such as cost, location, quality of care, etc. The question I used included 19 different aspects of the program such as reliable, licensed, firm discipline, involves parents, small groups of children, provides social services, etc. Parents were asked to list five of these factors that were the least important and five that were the most important. Parents commented that they were all positive factors and desirable. The uselessness of the question was that a program could not be developed on the basis of difficult choices among 19 characteristics. Broader categories such as educational component, parent involvement, social services and caregiver experience might have sufficed. It would have gotten at the tradeoffs that parents were willing to make in their child care arrangements.

The questionnaire was long, but not overly burdensome. It is unfortunate that it was not tested on a larger parent population to determine its full capacity in designing a

child care program or selecting a benefit option.

5. Alternative Methods of Data Collection

The survey results of The Bank study highlighted the fact that the current employee population might not be the most useful for assessing the appropriate response to working parent needs.

First, for an employer interested in retaining employees who might predictably leave (like the 13 planning to have children), a survey of employees who have left in the past might be useful instead of, or in addition to, a survey of current employees. On the other hand, since child care is often used as a recruitment tool, even if some current employees are potential users, decisions about creation of costly new programs should bear in mind that users may be those who are not currently employees of the organization.

An employer might also find that employees feel reticent to share their family-related problems with employers. Some employers also may feel that the company's involvement in the family life of their employees is inappropriate, and employees themselves may fee similarly "since in the past such problems have been viewed by employers or supervisors as reasons not to hire or promot an employee." (Morgan 1981, p. 4)

Alternative data collection mechanisms are being tested

by companies who are reluctant to distribute a questionnaire for fear it raises expectations while follow-up solutions have not been approved. The use of personal interviews can reveal more in-depth information by validating child care problems and learning more about the tradeoffs parents make in the formulation of their child care arrangements. This interviewing may take place simultaneously with the provision of child care assistance, such as working parent seminars in a group setting or on an individual basis through I & R and EAP counseling. Data collected from these encounters can be compiled and used for later decision making. In the meantime, the employer has responded to an immediate need of the employee population.

APPENDIX H: THE PROPOSED CHILD CARE BENEFIT PLAN FOR THE BANK OF SUBURBIA

The Child Care Plan was designed with certain criteria in mind: 1) The uniqueness of the program to assure its visibility and use as a competitive recruitment tool; and 2) A phase-in plan that allows for continuing data gathering in order to monitor the needs of a changing teller work force. The incremental approach also avoids the large expenditure of dollars before the return on the investment can be assured.

The components of the plan include choices for information and referral services, a child care subsidy program and eventually the purchase of slots in local child care programs. The recommendations for part-time work and flexible benefits are incorporated into the body of the paper.

1. Mechanisms for Channeling Information and Referral Services to Employees

There are three ways for The Bank to make available child care information and referral (I & R) services:

a) Publish a directory of Suburbia's child care services;

b) contract with CCRC to provide I & R services;

c) contract with CCRC to provide on-site I & R services.

a) Publish a directory. Up until 1978, the City of Suburbia took responsibility for printing a list of child care

services in the community. Since the city ceased providing this service, CCRC has become the main clearinghouse for information about services for Suburbia's families. CCRC could publish a child care directory for distribution at The Bank by Personnel to newly hired employees. The directory would provide them with descriptions of the range of programs available to them. The publication could also be distributed at the various branches for customers. One of the most significant returns on this relatively small investment is considerable visibility of The Bank. The directory, with The Bank's name on it, is a form of advertising -- both to customers, who value The Bank's contribution to the community, and to employees who need help in finding child care -- a service no longer provided by the city.

CCRC would be responsible for preparing and distributing the directory. The estimated cost for 500 copies is $1000. As a donation to CCRC, a non-profit organization, this expense would be considered a tax deductible contribution.

b) Contracting with CCRC to provide I & R services. CCRC would familiarize Personnel staff or other designated individuals with its services. Bank personnel in turn would publicize this information to employees. This can occur in a variety of ways: 1) workshops directed by Personnel and CCRC staff; a) distribution of brochures about CCRC services; 3) provision of "how-to-select" child care publications; and

4) articles or descriptions included in in-house documents or publications.

It would be essentially the responsibility of The Bank to see that employees are familiar with the services of CCRC. CCRC would then accept calls from employees and offer referrals to local child care providers depending on parents' specific needs and preferences. The cost for this services is $2000 per year, to be re-evaluated given changes in the employee population.

c) Contracting with CCRC to provide on-site I & R services. CCRC would supply a staff person to The Bank who would be available for consultation at designated times at various branches. This would reduce the work required by Personnel and offer some immediate feedback to the employee about the opportunities for child care. The cost for this on-site service is $3000 per year, to be re-evaluated as needed.

In the latter two options, CCRC would keep careful records of all requests for information and referrals. This would enable CCRC to follow-up with needed assistance, evaluate the success of the information and referral effort and provide planning data to the employer for the child care support service. Reports would be presented to the Bank at regular intervals.

2. Child Care Financial Assistance Program

A child care financial assistance program is considered critical to any recruitment effort by The Bank directed at mothers due to teller salary levels, the high cost of child care, the prevalence of single parents and the relatively few state subsidized Title XX slots in Suburbia.

The State of Massachusetts and many private child care programs have developed sliding fee scales to support parents' child care costs. The recommended financial assistance programs is:

- based on a sliding fee scale;
- targeted to staff with family incomes under $27,000;
- limited to a subsidy ceiling of $2000;
- paid directly to the licensed provider or program;
- accompanied by a child care information and referral service.

A child care subsidy based on a sliding fee scale, rather than on a flat amount such as 50 percent of cost of care, is recommended on the basis of its consistency with community options and efforts, its cost effectiveness for The Bank, and its more equitable distribution of assistance which remains supportive of families' efforts to attain economic self-sufficiency. The limit of $27,000 income is commensurate with the state's sliding fee scale. The $2000 ceiling for child care subsidies is offered as a way to contain costs for The Bank. Two thousand dollars is approximately half of the average cost of care per child per year in Suburbia. (It

should be noted that the federal tax credit for child care pays only 20 percent of the cost of care, [assuming the cost is not greater than $2000] or $400 for one child [$800 for two or more], whichever is less.)

In consideration of the lowest income families, the subsidy scale should begin at 50 percent of the cost of care. The subsidy should be paid directly to the provider so that it is not taxable to the parent. Finally, the purchasing power of the subsidy is considerably strengthened when implemented in conjunction with child care information and referall services.

The yearly cost of the financial assistance plan would depend on the number of employees using it, their family incomes and the cost of the care they select.

The sliding fee scale proposed (in Table 11) is based on the likely family incomes of those who will be applying as tellers. Unless many single mothers are hired, the family incomes of Bank tellers will most likely be about $20,000 - $25,000. (This is based on two incomes of about $10,000 and $15,000, assuming the spouse makes slightly more than a teller.) The median income in the state is about $24,000 which would lend credibility to this estimate. However, based on the family incomes of current employees planning to have children as well as the state's sliding fee scale which includes those with up to 115 percent of the median income, I have set a limit

PROPOSED CHILD CARE ASSISTANCE PROGRAM

BASED ON A SLIDING FEE SCALE*

Family Income	Percent of child care costs covered by subsidy
$ 9,000 - $11,000	50 percent of costs subsidized
11,001 - 13,000	45
13,001 - 15,000	40
15,001 - 17,000	35
17,001 - 19,000	30
19,001 - 21,000	25
21,001 - 23,000	20
23,001 - 25,000	15
25,001 - 27,000	10

* The model used for designing this is based on the experience of the Polaroid Corporation. Average subsidy for Polaroid is 43 percent. Cost of child care per child per year = $3750 ($75/week x 50);
$3750 x 43% = $1612.50 subsidy per year per employee;
25 employees x $1612.50 = $40,312.50

of $27,000 on the income eligibility for child care financial assistance from The Bank.

The scale is recommended per employee and not per child, so that an employee with between $15,000 and $17,000 family income, can receive a subsidy that covers 35 percent of the total cost of care for all of their children, with a ceiling of $2,000.

With a slightly different scale, Polaroid found the average subsidy to be 43 percent of the cost of care. Based on an average weekly fee of $75 for full year child care (50 weeks), the cost of child care for the average employee will be $3750. If the average subsidy is 43 percent, The Bank can expect to spend $1612.50 per year per employee providing child care financial assistance.

Based on the survey results, four Bank employees are currently eligible. Their current child care costs and family incomes indicate that the yearly cost to The Bank of subsidizing these four employees according to the proposed fee scale would be $1162.50. Of the 15 employees planning to have children, eight would be eligible for the subsidy based on their family incomes. Assuming they all need infant care, the most expensive care, and they exceeded the $75/week fees, they might reach the $2000 limit. Those costs (8 employees at $2000 each) would equal $16,000, but based on their family incomes, the average subsidy for this

group would be 23 percent. With $6000 per year in child care bills, the expense to The Bank would be $11,040. This is a maximum estimate because two of the eight said they would work part-time. Finally, assuming The Bank recruits mothers to comprise half of its teller workforce, i.e. 13 tellers, the cost to the Bank at $1512.50 per average teller would equal $20,962.50. In total, the cost of subsidizing 25 employees (13 tellers, 8 expecting children and 4 currently with children) would be $33,165.

The Cost of Financial Assistance Plan

13 tellers.....	$20,962.50
8 expecting children...	11,040.00
4 with children.....	1,162.50
TOTAL - 25 employees...	$33,165.00

3. Purchase of Slots

Once the Bank has a number of parent-employees in need of child care, making an agreement to purchase slots in one or two programs might be more cost effective, less cumbersome administratively, and require less time for the parents in making child care arrangements. A few of the programs interviewed expressed an interest in working out this kind of arrangement.

The child care program would agree to hold open a certain number of slots for, say, a 30-day period. The Bank would

pay to reserve those spaces and once used, would pay a portion of the cost of care for the employee. The cost would equal that of the financial assistance program with the exception of a nominal fee to the program to hold spaces open for Bank employees.

The benefit of the purchase of slots over the financial assistance program is that an employee does not have to look for a child care program before commencing work -- this has already been taken care of. If the need is for infant care where the market it tight, purchsing slots in one of Suburbia's infant programs would prevent The Bank from losing a desired employee because she could not find suitable child care.

This ongoing kind of arrangement with a local day care provider may yield other benefits such as extending hours when employees must stay later than expected or providing emergency care if needed. The slots purchased might also expand the capacity of a program. A center with 20 slots that has room for another five children with minimal renovation might also be considered. These costs would include needed expansion costs, the reservation fee and/or the financial assistance to employees as proposed above.

The Bank could purchase slots in family day care as well, but the decision as to which program to contract with will depend upon the numbers and preferences of the employees hired. This can only be discerned at a later point in time. The purchasing of slots in local programs is recommended as another phase in The Bank's child care commitment.

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